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ABSTRACT

This is a comprehensive record of the congressional hearings on 1976 budget requests for various federally funded education agencies and programs. Included in this volume is testimony specifically involving appropriations for the Education Division of the Department of Health, Education, and Welfare; the Office of Education Overview; and the Office of the Assistant Secretary for Education; as well as for programs related to education for the handicapped; elementary and secondary education; higher education; occupational, vocational, and adult education; school assistance in federally affected areas; and student loan insurance. An alphabetical index of all persons presenting testimony and a topical index of subjects discussed in the hearings are also included. (JG)

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1976

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ED105588

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE

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PART 1

EDUCATION DIVISION OVERVIEW
OFFICE OF EDUCATION
OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

Printed for the use of the Committee on Appropriations

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EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

WEDNESDAY, MARCH 5, 1975.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

EDUCATION DIVISION

WITNESSES

VIRGINIA Y. TROTTER, PH. D., ASSISTANT SECRETARY FOR EDUCATION

TERREL H. BELL, PH. D., COMMISSIONER OF EDUCATION

EDWIN W. MARTIN, JR., PH. D., ACTING DEPUTY COMMISSIONER FOR EDUCATION OF THE HANDICAPPED

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. The committee will come to order.

We shall now begin our hearings on the 1976 budget estimates for education programs. The first presentation will be made by the Assistant Secretary for Education, Virginia Y. Trotter, Ph. D. We have a biographical sketch of you, Dr. Trotter. We will place that in the record at this point.

[The sketch follows:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, EDUCATION DIVISION

BIOGRAPHICAL SKETCH OF VIRGINIA Y. TROTTER

Position: Assistant Secretary for Education.

Birthplace and date: Boise, Idaho, November 29, 1921.

Education: Ph.D. in family economics, housing, higher education, Ohio State University, Columbus, Ohio, 1959; M.S. in family economics, Kansas State University, Manhattan, Kan., 1949; B.S. in home economics, Kansas State University, Manhattan, Kan., 1943.

Experience:

1974–Present: Assistant Secretary for Education, DHEW.

1972–74: Vice chancellor for academic affairs and professor of education and family resources, University of Nebraska-Lincoln.

1970–72: Dean of the College of Home Economics, University of Nebraska-Lincoln.

1963–70: Associate dean of the College of Agriculture and Home Economics, University of Nebraska-Lincoln.

1955–63: Assistant for home economics to the dean of agriculture, and chairman of the Home Economics Department, University of Vermont.

1950–55: Assistant professor and head of the family economics and management division of the Department of Home Economics, University of Nebraska-Lincoln.

1948–50: Instructor and director of the home management laboratory, University of Utah.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF EDUCATION

BIOGRAPHICAL SKETCH OF TERREL HOWARD BELL

Position: U.S. Commissioner.

Birthplace and date: Lava Hot Springs, Idaho, November 11, 1921.

Education: Southern Idaho College of Education, 1946, bachelor of arts; University of Idaho, 1954, master of science in education administration; University of Utah, 1961, doctorate in educational administration with allied field in political science; graduate study (no degree), Stanford University; Southern Utah State College, 1970, doctor of humanities (honorus causa).

Experience:

Present: U.S. Commissioner.

1971–74: Superintendent of the Granite School District, Salt Lake City, Utah.

1970–71: Deputy Commissioner, U.S. Office of Education and Acting U.S. Commissioner of Education.

1963–69: Utah State superintendent of public instruction.

1962–63: Professor and department head, department of educational administration, Utah State University.

1957–61: Superintendent of schools, Weber County School District of Ogden, Utah.

1954–56: Superintendent of schools, Star valley School District of Afton, Wyo.

1947–53: Superintendent of schools, Rockland, Idaho.

1946–47: Science teacher and athletic coach, Eden, Idaho.

1942–46: First sergeant, U.S. Marines in Pacific area (World War II).

Association memberships: Presidential appointee (with U.S. Senate confirmation) the National Council on Educational Research (the governing board of the National Institute of Education). President's Commission on School Finance (1970 and 1971). President's Committee on Employment of the Handicapped. Gallup Poll advisory panel (1973). Board of directors, Utah Symphony. National Capital Area Council of Boy Scouts of America (1970 and 1971). President, National Federation of Large School Systems.

Publications: "Your Child's Intellect," Olympus Publishing Co. (1972); "MBO: A Performance Accountability System for School Administrators," Prentice Hall (1974); "Effective Teaching," Exposition Press (1962); "A Philosophy of Education for the Space Age," Exposition Press (1962); "The Prodigal Pedagogue" (a novel), Exposition Press (1955); "Parenting and the Public Schools" (to be published in 1974 by Olympus Publishing Co.). Over 27 articles in journals and magazines.

Honors and awards: Distinguished Service Award of the National Association of State Boards of Education (1973); Secretary's Special Citation for Outstanding Contributions to the U.S. Office of Education (HEW) (1970); Certificate of Appreciation, U.S. Office of Education (1971); Distinguished Service Award of the Council of Chief State School Officers (1970); Distinguished Service Award of the Utah School Boards Association (1969); Distinguished Service Award of the National Advisory Council for Adult Education (1970); Phi Kappa Phi National Scholarship Honorary Society.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF EDUCATION

BIOGRAPHICAL SKETCH OF EDWIN W. MARTIN, JR.

Position: Deputy Commissioner of Education for the Handicapped.

Birthplace and date: Oceanside, N.Y., September 3, 1931.

Education: Muhlenberg College, Allentown, Pa., 1949–53, B.A.; University of Alabama, University, Alabama, 1953–55, M.A.; University of Pittsburgh, Pittsburgh, Pa., 1957–61, doctor of philosophy, specialization in speech and hearing disorders and psychology.

Experience:

Present: Deputy Commissioner of Education for the Handicapped.

1969–74: Associate Commissioner, Bureau of Education for the Handicapped.

1967–69: Deputy Associate Commissioner, Bureau of Education for the Handicapped.

1966-67: Director, Ad Hoc Subcommittee on the Handicapped, U.S. House of Representatives, Washington, D.C.

1960-66: Assistant professor; associate professor of speech, University of Alabama; associate professor of speech pathology, University of Alabama Medical School; codirector, Speech and Hearing Clinic, University of Alabama, University, Alabama.

Association memberships: American Speech and Hearing Association; American Psychological Association; Council for Exceptional Children.

Publications: "Client Centered Therapy as a Theoretical Orientation for Speech Therapy," Asha; "The Self as a Central Concept in Speech Therapy for Persons Who Stutter," chapter in "New Directions in Stuttering"; "Communication Problems of the Mentally Retarded," Alabama Mental Health; Review, "Understand Those Feelings," E. Donald, Journal of Speech and Hearing Disorders.

Mr. Flood. Do you have anyone with you you want us to know? You can introduce them.

Dr. Trotter. I would like to introduce Charles Miller, who is Deputy Assistant Secretary, Comptroller.

Mr. Flood. I don't think that is necessary. He goes on like Tennyson's brook around here.

Dr. Trotter. Dr. Bell will be here very shortly.

Mr. Flood. You have a prepared statement, Doctor. How do you wish to proceed with this?

Dr. Trotter. I would like to read this for the record, if you would like me to.

Mr. Flood. It's your show.

Dr. Trotter. All right.

STATEMENT BY THE ASSISTANT SECRETARY FOR EDUCATION IN OVERVIEW OF THE PROPOSED FISCAL YEAR 1976 EDUCATION BUDGET

Mr. Chairman and members of the subcommittee, I am pleased to have the opportunity to speak to you in support of the administration's proposed education budget for fiscal year 1976. This budget recommends a spending authority of a little more than $6.1 billion for the Education Division of the Department.

Some people may question the relative return of our educational investment; but I believe, and I know you believe, that education is one of the best investments we can make. In fact, education has a significant role to play in helping the economy by producing and retraining skilled workers and professionals.

I also believe it is essential to take a critical look at how we may better use our human and fiscal resources. Quality education is something every American child and adult deserves and has a right to expect. I know we are all committed to this goal, and hope that we can work together within present fiscal constraints to determine priorities in education and appropriate spending levels.

This budget emphasizes programs which will increase equality of educational opportunity from the elementary through the postsecondary years, and which will contribute significantly to improvement in the quality of education.

One of the most important education activities undertaken by the Federal Government is its commitment to assist children and young adults who are disadvantaged in our educational system. These are the children who are economically disadvantaged, who are physically or mentally handicapped, who come from non-English-speaking homes, or who for some other reason are unable to benefit as fully from the educational process as their classmates. I believe the resulting inequities have not been fully addressed at the State or local level and have, therefore, become a Federal concern.

With the budget now before you, the Education Division will be able to continue in fiscal year 1976 a broad effort to redress inequalities of educational opportunity. Increases are provided through the funding of grants for the disadvantaged and support and innovation grants under the Elementary and Secondary Education Act. The budget also provides what we believe will be adequate funding for the expanded Federal role of "capacity building" in bilingual education, and takes into consideration the Supreme Court decision in the *Lau* v. *Nichols* case. The right-to-read program is proposed for continuance at the same level of funding appropriated for the current fiscal year. The Federal impetus provided by the right-to-read program is an essential part of the larger national effort to eliminate illiteracy in the United States. Our budget proposal reinforces the Federal Government's commitment to reducing educational disadvantagement. Consistent with this obligation, each of the innovation and development programs of the Education for the Handicapped Act would receive significant funding increases in fiscal year 1976. The budget also provides substantial increases in funding for deaf-blind centers and projects for the severely handicapped. The Follow Through program has experienced great success in its demonstration of effective ways of educating disadvantaged children in the early elementary grades. Follow Through would be continued in 1976 only for those children already participating in the program.

The Federal commitment to equalize educational opportunity is important in postsecondary education as well as in the elementary and secondary years. This priority is reflected in the increased budget request for basic educational opportunity grants to provide direct aid to those postsecondary students who are economically disadvantaged. The funding level recommended for the basic grants program would, for the first time, cover 4 full years for both full- and part-time students.

With tightened administrative machinery for the repayment of guaranteed student loans, this program can continue to play an important role as a source of funding for students who require additional financial assistance. The budget also makes provision for continuance of the college work-study program, although at a somewhat lower level than the current year's appropriation.

The 1976 budget places a clear emphasis upon direct aid to students, allocated according to need with some degree of freedom of institutional choice. In addition, the State student incentive grant program can effectively supplement basic grants in easing family contribution burdens imposed by rising educational costs.

Some postsecondary schools have developed special expertise in serving a segment of society which otherwise might be denied access to higher education. Provision is made in this budget to assist these developing institutions.

In order to improve the quality of education, it is necessary to have information on the current status of the educational system and reliable information on how to improve the areas where education falls short. The National Center for Education Statistics provides an important governmental resource for the assessment of educational quality. In fiscal year 1976, the Center will pursue inquiries closely related to the needs of education policymakers both in the Federal Government and in the total educational community. Within the Education Division, a high priority will be placed on the timely availability of data and statistical analyses. The program evaluation activities of the Office of Education also provide a vital barometer of where we are and where we can and should be moving with respect to Federal involvement in education.

A very large part of the Division's work toward advancing the quality of education resides with the National Institute of Education, which in 1976 will emphasize the dissemination of the products of research and development, and will seek solutions to some of our major educational problems. The Institute's programs are directed at the Nation's most pressing educational problems—school finance, educational equity, providing basic skills, and the dissemination of practical research information for immediate use by school personnel. The National Institute of Education provides the kind of baseline data we need to adequately predict the future and the kind of research and demonstration patterns that give viable alternatives for educational change. We must have this type of educational research and development if we are to have the most effective education system possible.

Another important portion of the Department's work toward the improvement of educational quality is carried on by the Fund for the Improvement of Postsecondary Education. The fund has made an impressive beginning in its efforts to improve the quality and diversity of educational practice beyond the high school level. The increased recommended funding for this program in fiscal year 1976 will enable the fund to expand its very successful efforts. Its activities are aimed at developing a postsecondary educational network that is capable of responding to a wide range of educational goals. Particular attention will be devoted to the improved integration of work and education. By bringing the young and the old together with educators and with business and labor, they can learn about each other's needs and desires, so that the world of work and education will be linked.

The educational programs that I have outlined address both equality of opportunity and excellence in education. I hope you will agree with me that we have a forward-looking and challenging program for the 1976 fiscal year.

I will be happy to answer any questions you may have.

Mr. Flood. With reference to what you were just saying, in the last part of your statement, I think the committee would agree with you that you have a forward-looking program for 1976. You have to look ahead because, if you look back, this budget doesn't look nearly so good. There are a lot of minuses throughout this budget for your education program.

PERSPECTIVE OF THE ASSISTANT SECRETARY FOR EDUCATION

Doctor, you have been on board just about a year, isn't it?

Dr. Trotter. Eight months.

Mr. FLOOD. How does the Federal education program look to you? Is it better or worse than a year ago?

Dr. TROTTER. As far as how it looks to me right now, I think that we are really heading in the right direction. We have some real constraints because of what has happened to us economically in the last year. That means that we really do have to take a look at our priorities, at where we are going, and really do a better job of using the money that we have. This is one of the things that we have been taking a very close look at.

As I look at what has happened to us and how I perceive what has happened to us since I have been here, I would say that without a doubt this has been a very challenging and exciting and also somewhat frustrating experience. As you know, the Assistant Secretary's Office is a fairly new office so we are trying very hard to put the coordination of the division together. I think that we are making some real progress here. We are trying very hard to develop strong relationships with the total educational community. What we do should be a partnership. I really feel it's imperative that we work together with the educational community because we do have the same aims and desires.

Mr. FLOOD. I am not talking about you personally, but I am wondering about the whole program. Is it better or worse since a year ago?

Dr. TROTTER. It can't help but be better, Mr. Chairman, because we really have put a lot into what we have been doing in the last year.

Mr. FLOOD. What do you find that occupies most of your time?

Dr. TROTTER. Day-to-day administration occupies a lot of my time, working with the people in the Division, working with the educational groups, working with the people in the field. I don't think I have ever been as busy as I am right now. Each day is different. The thing I probably work hardest at is the coordination of the Division and really representing the Education Division to the educational community.

Mr. FLOOD. How do you view the relationship of your office, first, to the Office of Education and, second, to the National Institute of Education?

Dr. TROTTER. Both the Office of Education and the National Institute of Education do report through my office. We work very closely together in coordinating programs. I think it's the responsibility of the Assistant Secretary's Office to support the Office of Education in its endeavors, just as I feel it's very important to support the endeavors of the National Institute of Education.

When you ask me how much time I have spent on various aspects of my job, I can say I have spent a lot of time working with the National Institute of Education and the National Center for Education Statistics this last year.

Mr. FLOOD. As Assistant Secretary, since we have that shop now and you are there, I was inquiring about the relationship between your office and these two groups, the Education Office and NIE, the National Institute of Education.

Dr. TROTTER. There is a very close relationship in terms of our working relationship. We work together as we project programs. I work with the Advisory Council, with NIE, and I work very closely with Dr. Bell. One of the best parts of the past 8 months has been the relationship that Dr. Bell and I have had, because I think it has been a very supportive one.

Mr. Flood. You say that right in front of him?

Dr. Trotter. Yes; he can say anything he wants to, but I am saying that.

STATUS OF THE POSITION OF DIRECTOR, NATIONAL INSTITUTE OF EDUCATION

Mr. Flood. We are going to hear the NIE budget request next week. We would like to know will the new Director be onboard or are we still going to have an Acting Director?

Dr. Trotter. The new Director will not be onboard. We are in the process of a security clearance. I think it will be very soon.

Mr. Flood. There is an awful lot of acting going on in HEW.

BRINGING TOGETHER THE WORLDS OF EDUCATION AND WORK

Shortly after the President was sworn in last year, he made a speech and received a great deal of publicity. He spoke of new ways to bring the world of work and the educational institutions much closer together. Those are worthy objectives. What is your office doing to achieve this very worthy objective?

Dr. Trotter. We have been very active on a committee that also includes members from the Departments of Commerce and Labor. We have developed, and we have sent to the President, a proposal for working together to bring the world of work and education closer together. This may be achieved through the elementary and secondary schools. We feel that here we have a real responsibility to help all students understand what their alternatives are, what they may be able to do, how they can make choices and have a basis upon which the choices can be made. That means they have to have a more direct experience with different kinds of work.

Not too long ago the schools tended to track students, either through vocational education or through general education and college preparatory work. We too frequently tracked them out of the kinds of opportunities they should have had without knowing that they were not able, from their own experience, to make the kinds of decisions that they themselves should have been making. We are working with the Departments of Labor and Commerce to see that students have a well-informed opportunity to make career and education choices.

We hope that students will be able to have some real world experience, not just observation but actually a chance to bring the two together. We don't have enough economics taught in our high schools to develop at that stage an understanding of what our economic system is. This is one way we feel we may at least be able to do something.

PROBLEMS IN ELEMENTARY AND SECONDARY EDUCATION

Mr. Flood. What do you think is the biggest problem today in elementary and secondary education?

Dr. TROTTER. I think one of the basic problems is that we have not done the kind of job that we should have done in teaching basic skills. It is the normal child I am referring to. Of course, we still have some real problems, in that we haven't reached the handicapped child the way we should have. We haven't reached the child who comes from a home where a language other than English is spoken. These are certainly some of our biggest problems. But they all really come down to the fact that we haven't done the best job we could in teaching the basic skills.

Mr. FLOOD. Do you have what is called one single biggest problem in elementary and secondary education today? Is there such a thing?

Dr. TROTTER. I think that there are a multitude of problems, Mr. Chairman, and that one may impinge on the other. To state one problem only generates another problem right along with it. When we are talking about basic skills, we can't ignore the fact that some children don't speak English. It may not be that they can't learn the basic skills; they just can't understand the language. One thing just impinges on the other.

Mr. FLOOD. What are two or three of them besides that?

Dr. TROTTER. Other problems include education for the handicapped, bilingual education, and the elimination of illiteracy—part of the right to read program.

Mr. FLOOD. The handicapped is an identified group. The bilingual is a special group. But across the board of elementary and secondary education, that is the whole spectrum. Today what are the big problems there, setting aside the handicapped, a special group, and bilingual?

Dr. TROTTER. I am really trying to say that I think we do not teach, from the very beginning in the way that we should, how to read, and what to do about arithmetic, so that we find students graduating without what I call the basic skills. I do feel that is the problem with our educational system today. We have been concerned with the social development of students, and we should be, but we are finding that sometimes then some of the basic skills have not been emphasized sufficiently. We have to find some way that we can do both. Regardless of what else we do in the schools, if these students graduate without the fundamental knowledge of how to read, how to make an application for a job, how to do simple arithmetic, they are in trouble.

BIGGEST PROBLEM IN HIGHER EDUCATION

Mr. FLOOD. Let me ask you the same question this time about higher education. You were talking about elementary and secondary education. How about higher education?

Dr. TROTTER. Although elementary and secondary education have a little of the same problem, I'm about to mention it's not as serious as it is in higher education. One of the biggest problems facing higher education right now is the financing of higher education. I don't think there is any doubt about the fact that we can expect a lot of problems on how to finance postsecondary education in the next few years.

Another problem that we have is identifying the best way to structure our student aid program. As you know, the higher education bill is coming up for reauthorization and we are taking a careful look at how we can best achieve a balanced program that will do the most for the most students. Our biggest concern in higher education is to have our total program which will give every student who graduates from high school an opportunity for some kind of postsecondary education. This program is based on need.

If I may, I would like at this time to introduce my coworker, Dr. Bell, since I did not have the opportunity to do that earlier. I would like it on the record that he is here.

Mr. Flood. Mr. Michel?

Mr. Michel. Thank you, Mr. Chairman.

CAPACITY BUILDING IN BILINGUAL EDUCATION

Dr. Trotter, in reading your testimony you mention "capacity building" in bilingual education. Do you want to tell me what that means? What is that all about?

Dr. Trotter. Yes, I would be happy to. We believe that the Federal Government's role is to help States and local education agencies put in place the ability to teach students. This means that we will provide technical assistance, support training programs to help teachers who are now on board or new teachers who will be coming into the system. With respect to our work in bilingual education, capacity building is aimed at helping teachers to be able to teach in two languages. Capacity building is front-end work. We will come in and help establish effective programs, but we won't stay. In bilingual education we should be able to phase in and phase out our involvement, phasing it out once we have built the capacity through support of demonstrations, training, and materials development.

Mr. Michel. I note you are going to take into consideration the Supreme Court decision in the *Lau* v. *Nichols* case.

Dr. Trotter. *Lau* v. *Nichols* has put school districts on notice that they must provide equal educational opportunities to their non-English-speaking students. This has made Federal capacity building assistance in this area all the more important.

Mr. Michel. In times past, we have given special emphasis to the Spanish speaking. The term "bilingual"—in fact the whole Federal bilingual program—had to do mainly with the Spanish-speaking folks. I come from French extraction; my colleague on my extreme right comes from Italian extraction. We have raised questions a number of times. The emphasis has been on the Spanish speaking. Then, of course, the case here has to do with the Chinese. Do you anticipate other languages coming into the act here that are posing a particular problem in our country?

Dr. Trotter. Certainly we have to focus attention on other than the Spanish speaking, although this has been the biggest part of our emphasis. This will be in what I said was a capacity building effort. It is a cooperative program between the States, local education agencies, and the Federal Government. We can give technical help, but the real responsibility is going to have to lie with the State and local programs.

Mr. Michel. Would you look in your crystal ball, some 10 years from now, and tell us if we are going to need a bigger and expanded program in this area? Or would we expect after 10 years that there wouldn't be that much migration into the country and that eventually everybody would be talking English?

I am reminded of the other part of my family who came from Germany and German parents. They spoke German, and my grandfather preached in German; I went to a German and an English service. I remember my mother saying to my grandfather, "Dad, we are in America. We speak English. It will be broken, but this is the country we live in, and we will adopt this language."

Why is it so hard to get that point across to other people? I just look down the road and wonder if it's an expanding program? Does it mean we have to be bilingual or trilingual or what?

Dr. TROTTER. After all, English is our national language and students are better off if they know English. Some have been disadvantaged because they haven't understood both their language and English well enough to be able to progress through the school system.

You asked how many different languages are supported under title VII. I understand that we are supporting bilingual education in 42 different languages. That is including 23 native-American languages.

What we are really trying to do is to use the Federal dollar as seed money for the States to do what needs to be done.

RIGHT TO READ

Mr. MICHEL. I see your right-to-read program is carried at the same level as last year.

Dr. TROTTER. That doesn't mean that we have accomplished our objectives, if that is what you are asking. Our strategy is one of a catalyst and again we are going to expect the States to pick up the responsibility to eliminate illiteracy.

Mr. MICHEL. If we would come upon better times from the standpoint of the Federal budget's picture, would we expect more money to be in this item, without the restraints under which we are operating today?

Dr. TROTTER. This might be a program we would ask more money for.

Mr. MILLER. Mr. Michel, I think sometimes that line item in the budget is misunderstood, as though we were only spending $12 million on right-to-read. That $12 million is sort of leadership and stimulative money under the direction of one office. All through the education budget funds are directed toward the objectives of the right-to-read program. We have put together tables which I think are a bit squishy, but they go up to the hundreds of millions of dollars showing amounts being used for that purpose.

Dr. BELL. In fact, our reports show that over half of the title I, which is $1.9 billion, is spent on reading programs and reading improvement at the elementary school level.

Dr. TROTTER. A big focus of the National Institute of Education is on reading and reading improvement.

IMPROVEMENT IN THE QUALITY OF EDUCATION

Mr. MICHEL. I am glad to hear that. I made mention the other day when Secretary Weinberger was here that I read in the paper that half of the people applying for a teaching position in the local school systems over here in Virginia or Maryland couldn't pass the grammar test. This didn't speak very well for those who supposedly had the education hours that are prerequisite to at least filing an application for a teaching position.

You mention in your statement that the education division this year will contribute significantly to improvement in the quality of education. In this regard, I asked Secretary Weinberger the other day whether the fourfold increase in the Federal level expenditure over the last 10 years had had any significant impact in improving the education of our Nation's children. I could pose the same question to you. Do you think that fourfold increase in the last 10 years has done anything significantly to improve education in the country?

Dr. TROTTER. I think that we have a better educational system than we have ever had. But we also have many, many more students to teach than we have ever had. You have a two-sided impact here—one that has to do with numbers—so I think that we do have a better system than we have ever had. But we also have more problems because of the increase in the population and the fact that we have tried to target our funds.

People think that the students who went to school perhaps got a better education, but what really happened was that we didn't have the ramifications of the different targeted groups in school that we have today. Nor were we as concerned about the disadvantaged as we should have been. I think that this is reflected too. I think totally, overall, we are much better off.

TEACHERS' SALARIES

Mr. MICHEL. Are teachers' salaries today making up a significantly larger share of local school district budgets than they were 10 years ago?

Dr. TROTTER. Teacher salaries are much better totally than they were.

Mr. MICHEL. Do you have any figures in the Department which would indicate what the increase has been, for example, in the last 10 years of an average teacher's salary?

Dr. TROTTER. I couldn't say for sure. I could make a guess.

Dr. BELL. I might respond to that. The average teacher's salary has increased about two and one-half times over the last 10 years. A greater percentage of school budgets is being spent on salaries than ever before. Much of this is under the pressure of collective bargaining and the unionization movement that is now very strong and has a high degree of momentum in all the schools across the country.

Mr. MICHEL. Maybe it's because I am spending more time in Washington that I get the feeling, listening to the local news media, that the local teachers are constantly bringing pressure to bear or threatening to go out on strike.

What is the level of teachers' salaries here in the District as compared to the rest of the country? Is it comparable? Is it lower or higher? How come there is always so much agitation here in the District of Columbia and the teachers threatening to bolt and go out on strike?

Dr. BELL. I believe the data would show that the District of Columbia average teacher's salaries here are higher than the national average. I think maybe also the cost of living is higher. At least I have found that so, as one who has just moved here.

Dr. TROTTER. The cost of living here is, I think, much higher.

Mr. MICHEL. Is there any relationship in the caliber of education that the school kids are getting here as compared to the other parts of the country? In other words, if they were all put to the test and the teachers are getting paid that much more, is the quality of the level of education any better here than in other sections of the country? Or is it only because we supposedly have this higher standard of living here in the District?

Dr. TROTTER. You will find that salaries totally in the District are higher than in some comparable parts of the country. In the more metropolitan areas, the salaries are higher because it costs more to live.

Mr. MICHEL. It has been brought to my attention that in adjusted dollars, 1973–74 purchasing power compared to 1959–60, the U.S. average annual salary of an instructional staff in public and elementary and secondary day schools was $8,215. In the District of Columbia it was $9,971. In 1969 and 1970, it was $10,919 nationwide and $13,680 here in the District. In 1973–74, you see the U.S. average salary was $11,185. In the District of Columbia it was $13,412.

Be that as it may, I get a little disturbed when I see for what salary teachers locally are threatening to go out on strike as compared to what I know some of our teachers back home are getting.

Dr. TROTTER. If you would like that exact data supplied for the record, we would be happy to do that.

[The information follows:]

EXPENDITURES (1973-74 DOLLARS) AND TOTAL SALARIES OF INSTRUCTIONAL STAFF IN REGULAR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS: UNITED STATES, 1963-64 TO 1976-77

[In billions of 1973–74 dollars]

	Current expenditures [1]	Total salaries of instructional staff [2]	Salaries as percent of expenditures
School year:			
1963–64	$27.1	$16.3	60.1
1964–65	29.0	17.3	59.7
1965–66	31.9	19.1	59.9
1966–67	34.3	20.0	58.3
1967–68	38.4	22.4	58.3
1968–69	39.0	23.2	59.5
1969–70	44.0	24.6	55.9
1970–71	44.6	25.8	57.8
1971–72	47.9	26.2	54.7
1972–73	50.4	27.0	53.6
1973–74	50.2	26.7	53.2
Projected:			
1974–75	52.0	27.3	52.5
1975–76	54.0	28.2	52.2
1976–77	55.8	28.7	51.4

[1] Expenditures for capital outlay and interest are not considered as a part of current expenditures. Excludes expenditures for residential schools for exceptional children, subcollegiate departments of institutions of higher education, Federal schools for Indians, and federally operated schools on Federal installations. Includes current expenditures of public elementary and secondary school systems for community services, summer schools, community colleges, and adult education.

[2] The average annual salaries of instructional staff are about 4 percent higher than salaries of classroom teachers alone.

Source: National Center for Education Statistics, "Projections of Educational Statistics to 1983–84."

TEACHER SALARIES IN THE DISTRICT OF COLUMBIA

On a comparative basis, the classroom teachers' salary of $12,766 for the District of Columbia ranks fourth nationally.

Alaska	$15,667
California	12,850
New York	12,800
District of Columbia	12,766
Michigan	12,545

In comparison to 20 of the largest urban areas, the District of Columbia ranks ninth.

San Francisco, Calif	$14,322
New York, N.Y	14,200
Milwaukee, Wis	14,007
Chicago, Ill	13,943
Philadelphia, Pa	13,551
San Diego, Calif	13,493
Los Angeles, Calif	13,405
Detroit, Mich	12,824
Washington, D.C	12,766

(Source: National Center for Education Statistics, "Statistics for Public Elementary and Secondary Day Schools, Fall 1973.")

STUDENT-TEACHER RATIO

Mr. MICHEL. What is the average student-teacher ratio now against what it was, for example, 10 years ago? Do we have any improvement in that around the country?

Dr. TROTTER. There is an improvement. I can't tell you exactly how much it is, except we have had a drop in elementary enrollment, but not a drop in the teacher supply. That means that there should be an improvement.

Mr. MICHEL. It's an appropriate base to begin from. So frequently you can say automatically that if there are fewer students per teacher, without reservation the kids are going to be better taught.

Dr. TROTTER. I would like to say that we still don't have a ratio that is right. It is true that a student gets more individual attention if the classes are smaller. One of the things that happened when we had the push on enrollment was that we had classes that were far too large. Now that we are having some decline in the enrollment, particularly at the elementary level, we hope they will not say that we don't need as many teachers but that they will take advantage of this to improve the quality of the program and the teacher-pupil ratio.

TRENDS IN POSTSECONDARY EDUCATION

Mr. MICHEL. There has been some discussion in recent years around the idea that going to a 4-year college has become more or less a status symbol, the thing to do, but that, in fact, more students might be better off going to a trade or vocational school, both for their own needs and the needs of the country. Have you, Dr. Trotter, ever formulated any opinions in this regard? Are there any current trends in this direction that you see?

Dr. TROTTER. I think one of the most important things we have to think about is that the more education a student does have after high school, the better are his chances of a higher income.

This is one of the reasons that we are as interested as we are in the career education program, because there is no doubt about it that not every graduating high school student should go through a 4-year postsecondary program. In fact even if a student does go through a 4-year program, there is no certainty he is going to have a higher income.

Some kind of training is needed so students can identify programs where they can advance. I think that education can do this better than anything else. We have to help parents and students understand that there are many ways to go in terms of further training, that going on for a 4-year degree is not the only good choice.

TEACHER TRAINING AND RE-TRAINING

Mr. MICHEL. In the medical profession today, we have a thing called the professional standards review around the country. There has been a lot of opposition to it, but it has gotten to be one of those things that, in effect, they are really requiring that doctors who are given professional training have got to update themselves in view of the rapid developments that are taking place today.

Are teachers today keeping up with the times by way of teacher institutes, et cetera? Or are they just the kind of automatic things you go to; school is out 1 day or 2 and the teachers have to go to teachers institute. Is there anything happening there? I like to think that in the field of education they would be more subjected to change than any place.

Dr. TROTTER. We would like to agree with you and say it should be.

Mr. MICHEL. Is that really taking place?

Dr. TROTTER. There is a lot of emphasis on in-service training as well as retraining. There isn't any way that we can keep up without that.

We also think that retraining is very important. This is one of the areas that we haven't done as much in as we might. They say there is an excess of teachers. Actually, there would not be an excess of teachers if those teachers were willing to go where the jobs are or could be retrained into a job where they are needed. If we don't have enough teachers who are trained, retraining is one of the ways we are going to have to change the situation. We don't have enough teachers trained in handicapped or special education or bilingual by any means. We don't have teachers who are really trained in some of our other fields. We just don't have enough teachers.

Mr. MICHEL. Does it take Federal money and a Federal stimulus to move people into that area? Here again, the more affluent they are and the more educated they are, it would seem to me they would sense, look, the object is to get a job at the end of the training, and the jobs are in this field or that field because there are shortages. Why would it take a Federal stimulus or Federal dollars to get educated, academic, affluent people to move in that direction?

Dr. TROTTER. Let me go to the first part of your question, which was why Federal money is required as a stimulus. One of the things I think we need to understand is that education is not just job placement. You have to have a special kind of background and understanding if you are going to live in the world we live in. This takes a broad general education. Everyone needs this. Whatever you are going to do, you really need this broad base from which you can make decisions and logically look ahead. That is one part of education.

The other part of education is the training and really getting ready for a career. One of the things that the Federal Government has a job to do is to help people become aware that there is a need of reaching the handicapped. A lot of people don't even see the handicapped student so they are not aware of what the needs are. It takes the impetus and the incentives of the Federal Government sometimes to put in place what needs to be done at the State level. That is one of the best reasons there is for the Federal Government getting into education.

GOALS OF SPECIAL REVENUE SHARING ACCOMPLISHED THROUGH CONSOLIDATION

Mr. MICHEL. Is there any prospect for the administration to reintroduce the so-called special revenue sharing for education?

Dr. TROTTER. I don't know.

Mr. MILLER. It certainly was not in our dialogue this year.

Mr. MICHEL. Why would we change signals from one year to the next?

Dr. BELL. I think the movement, Mr. Michel, is towards consolidation of grants and elimination of the large number of categorical programs. Since I have been on the scene 8 months, like Dr. Trotter, that is what I have seen.

Mr. MICHEL. That, in effect is what special revenue sharing for education is?

Dr. TROTTER. Yes. It gives more flexibility at the State level. With the consolidation you have much more flexibility than you had before.

Dr. BELL. In effect, I think it accomplishes the same thing.

Mr. MICHEL. We went part way in the new education legislation that is on the books, but we didn't go the full route, obviously.

Dr. BELL. That is true. We will have another proposal in the area of vocational education which will consolidate a number of the categorical areas into two. That will be coming up during this session.

PER PUPIL COSTS OF EDUCATION

Mr. MICHEL. Let me get in one final area here before I yield. Do you have any figures available indicating what the average cost of education per pupil is in private and parochial schools compared with the public schools?

Dr. TROTTER. I would have to supply that for the record.

Mr. MICHEL. Supply something at the primary and secondary level and in the field of higher education on that and some variables depending upon the section of the country.

Dr. TROTTER. I will. You are really interested in private and parochial, not the public, right?

Mr. MICHEL. Yes.

Dr. TROTTER. You want the comparison between the two?

Mr. MICHEL. Yes; because it lays the groundwork for my final question.

[The information follows:]

EXPENDITURES FOR NONPUBLIC SCHOOLS

Expenditure data for nonpublic elementary and secondary schools comparable with those for public schools are nonexistent. The main reason is that it is extremely difficult to arrive at a universally accepted method for determining the value of donated services for nonpublic schools, even if data on actual expenditures were collected. These donated services make up a substantial part of nonpublic school resources, especially in the elementary and secondary schools operated by religious orders. In 1968–69, nearly three-fourths of the over 225,000 nonpublic school teachers belonged to religious orders of the Roman Catholic

Church. Also, it might be argued that many of the remaining nonpublic school teachers, whose salaries generally run lower than those in public schools, really donated part of their services.

(Source: National Center for Education Statistics, "Projections of Educational Statistics to 1982-83".)

ASSISTANCE FOR PRIVATE AND PAROCHIAL SCHOOLS

Mr. Michel. Is the administration working on any special programs that would be designed to assist private and parochial schools?

Dr. Trotter. All of our programs are aimed toward equity, because this improves education for all children. I think almost every program we have does involve to some extent private and parochial schools, particularly the title I programs and some of the title III programs where you have special programs and all students can be helped.

Mr. Michel. But beyond what we currently have on the books, there isn't anything in the wings beyond that?

Dr. Trotter. No; we are broadening the base of ways we can give direct aid to individual students, which means that they will have more help.

Dr. Bell. I might point out, Mr. Michel, that the Education Amendments of 1974, as I am sure you know, have a stronger mandate than there has ever been for private schools to participate in Federal programs. I think we are going to see more participation out of the private sector than we have had in the past.

Mr. Michel. Thank you, Mr. Chairman.

Mr. Flood. Mr. Natcher?

AMOUNT OF THE BUDGET REQUEST FOR EDUCATION

Mr. Natcher. Dr. Trotter, as you well know from the standpoint of the 50 States, people generally are as much concerned about the budget request that you have just submitted to the committee as any amount in the budget generally. You would agree with that, for education, wouldn't you?

Dr. Trotter. Yes.

Mr. Natcher. When the Secretary appeared before our committee I discussed with him generally his statement, Dr. Trotter, concerning the budget requests for $114 billion for the Department of Labor and for the Department of Health, Education, and Welfare. Of course, you and I know that that includes all of the trust fund money.

As far as obligational authority and as far as new money is concerned, as we know it on this committee, it only calls for $36.7 billion. I know that is a lot of money, Dr. Trotter, and I know with conditions like they are at this time, reductions, where necessary, should be made. Do you feel the amount that you are requesting, $6,044,169,000—which is a reduction of nearly $500 million—is justified at this time for the education division?

Dr. Trotter. One of the things that I feel we do have to take into consideration is what is happening in terms of the total economy of the country. Education, actually, fared better than most of the other programs did in the reductions that they had to take.

Mr. Natcher. Wouldn't you agree with me, Dr. Trotter, as far as that procedure is concerned, it depended a whole lot upon the action of this committee in the past under the able leadership of my chairman?

Dr. TROTTER. I agree with that.

Mr. NATCHER. Certainly. In other words, if we take this bill to the floor with reductions in education, heart, cancer, stroke, and these programs, we can't maintain it on the floor. It concerns me a great deal about this reduction that you have here of $500 million. I have my doubts, Dr. Trotter, that these reductions that you make can be sustained on the floor.

DRUG ABUSE EDUCATION

For instance, in your overall justifications, we have the drug abuse education program. You leave that out completely. Are you against this program, Dr. Trotter?

Dr. TROTTER. Not at all. But we feel this activity should be taken care of such as in health, and by the State education agencies and local education agencies.

Mr. NATCHER. But it's under the continuing resolution at this time, isn't it?

Mr. MILLER. That is a tough question. Of all the programs, that is the hardest one about which to give you an answer. There was a supplemental request last year and no action was requested by the administration and none taken by the Congress. We really are not sure whether there are funds available under the continuing resolution or not. We have it under study now.

Mr. NATCHER. I don't think that they are taking care of it in other places like we could right at this point, Dr. Trotter.

ENVIRONMENTAL EDUCATION

As far as environmental education is concerned we have a small amount. You leave that out completely. It's on page 12 of your overall justification. Why is that left out, Dr. Trotter?

Dr. TROTTER. This does not have as high a priority as some of the other programs that were left in the budget. As you know, when you start looking at priorities and when you are trying to make decisions, they are always hard decisions. What you have to decide is where the impact is going to be the worst. You go from there in the hopes that you make the right kinds of decisions. This happened to be one that was of lower priority than some other programs that were left in.

IMPACT AID

Mr. NATCHER. Dr. Trotter, I want to talk to you about one of my favorite subjects. Dr. Bell is our friend, and when he appeared the other day on rescissions and deferrals, he told us, and we agreed with him, that no move was made as far as rescissions were concerned in the impacted aid money. Certainly we agreed with that. This is one of the most important programs that is in this bill from the standpoint of counties, Dr. Bell and Dr. Trotter, that need help.

You mentioned the District of Columbia. I am chairman of that subcommittee. I know how much we pay the teachers. Dr. Bell, the per capita expenditure in the District of Columbia is $1,387. Can you cite me many more places that pay accordingly?

Dr. Bell. No, I am not familiar personally with per capita income figures.

Mr. Natcher. As far as beginning salaries are concerned, we pay high beginning salaries. We are losing 4,000 students per year, Dr. Bell. That is the average, 4,000 a year. We are having all kinds of problems.

As far as rich counties, I know that Montgomery County in Maryland and some of the others are rich. You say as far as impacted aid is concerned, we don't believe in this program because it's unfair, due to the fact that a lot of rich counties receive money that they are really not entitled to.

What about some of the poor counties, Dr. Bell, down my way near Fort Knox, Ky., and out in Mr. Shriver's district and the other places where it means so much? You go in with a military installation and you have several thousand—4,000 to 8,000 students under this law, and these school boards need this money.

With your rescissions and your deferrals, you have proceeded correctly, Dr. Trotter. You didn't ask to defer that money, to rescind it or defer it as far as the action of the committee was concerned. And we didn't. Now, in your overall program you come back again, as far as impacted aid is concerned, and for school assistance in federally affected areas on page 13, you are asking for overall total of $266 million. B children are listed for $40 million.

Mr. Miller. $40 million.

Mr. Natcher. $40 million. You drop it down from $354,616,000 to $40 million. Is that the correct procedure to follow, Dr. Trotter, knowing the situation as you and Dr. Bell do and the position that this committee has taken now for several years? If we left it out, we couldn't sustain it on the floor. We wouldn't have a chance. Why do you leave it out, Dr. Trotter? Certainly it should be in your budget and much more than $40 million.

ELIMINATION OF AID TO LOW-IMPACT AREAS

Dr. Trotter. One of the reasons that we have done this, Mr. Natcher, is because we really do believe that the States themselves should pick up some of this responsibility. We would still fund the highly impacted programs. This really means that each State would take more responsibility in terms of those students. It depends again on how highly impacted the area is.

Mr. Natcher. Have you ever traveled down my way? Have you ever been down in Kentucky?

Dr. Trotter. Yes.

Mr. Natcher. Have you been down to Meade County, Larue, Hardin County, Breckinridge County, and the other counties where impacted aid means much to my people?

Dr. Trotter. One thing that we are hoping and think has happened is that the title I funds are helping these counties.

Mr. Natcher. We need this money more today than at any time since this program was inaugurated in the State of Kentucky. I will say that to you, frankly. And $40 million for payments for B children instead of $354,616,000—what would be the entitlement, instead of 64 percent or 68 percent? Mr. Miller is a mathematician. What would it be?

Mr. MILLER. I don't think we have computed it. The way the legislation is going to be submitted, Mr. Natcher, we are going to start by requiring school districts to absorb the impact of federally related children up to 5 percent of the prior year's total school budget. If a district is entitled to impact aid beyond what must be absorbed, it will be provided at the same rate as in the 1975 Appropriation Act. For B children, that would be 68 percent. The amount of the payments beyond the 5-percent absorption is estimated at $40 million.

Mr. NATCHER. As far as payments for A children, you are requesting $162 million. What would be the entitlement there? Have you figured it out, as far as A children are concerned? Assuming the committee would accept that figure, about what would it be?

Dr. BELL. Mr. Natcher, the entire approach of the administration's budget is to hold harmless a school district if they had more than a 5-percent loss in their budget. We would hold them harmless at a 5-percent loss. Entitlements for A children, B children, and special provisions will be computed as they were in 1975. Once entitlements are computed, 5 percent of the previous year's total operating budget will be deducted to determine actual payment.

Mr. MILLER. And again, as with the B children, we would start with the same computation as in the 1975 appropriation.

Mr. NATCHER. Mr. Miller, with a budget containing nearly $37 billion, there are places where you can rearrange some of the money. But each year when you have to search and look through the budget to take about $310 million and put it back into this program where it should be and where it ought to be, it makes it a little difficult.

Mr. Bell, we were hoping this time when we looked at these justifications that you had finally seen the light. We thought this time you had finally seen the light, Dr. Bell, and that you would come in and ask for enough, about 68 or 69 percent of entitlement.

Dr. Trotter, that, I think, is a serious mistake. I am hoping now that the subcommittee will correct this one.

FUNDING OF VOCATIONAL EDUCATION PROGRAMS

Let me talk to you a little bit about vocational education. On page 15 of your worksheet, as far as vocational education under your grants to States, you have six categories starting with basic vocational education programs on down through State advisory councils. You omit beginning with basic vocational education programs and down to State advisory councils you put in there $4.316 million. Then out of the $300 million, instead of your amount carrying it back and placing into this bill amounts for these categories that you omit, you increase innovation on the vocational research from $16 million up to $160 million. Is that correct?

Dr. TROTTER. Yes. This is for the new legislation which consolidates parts C, D, I, and F.

Mr. NATCHER. Dr. Trotter, the Department has tried this for 3 years. Isn't that correct?

Dr. TROTTER. No.

Mr. NATCHER. This has been going on about 3 years now.

Dr. TROTTER. This really doesn't give a true picture because we are proposing a consolidation. One of the things we are emphasizing is innovation and incentives. We have felt that we haven't had enough money that really catalyzes new programs. We haven't had enough money for the disadvantaged and particularly the handicapped in vocational education. We need to have more going there. We really need more in terms of quality of planning and the kinds of programs that we think are important in vocational education.

Where we are putting the money and the emphasis this time is not on the basic grants to the States but upon innovation, in funds for the Commissioner and grants to the States so they will have an opportunity to make a difference with the money that they are using. Funds will go into programs that are innovative, into programs that will really reach the handicapped where they haven't been reached and reach some of the other disadvantaged persons. This is really an effort to target what we do in vocational education and do a better job than we have done.

AUTHORIZATION FOR THE PROPOSED VOCATIONAL EDUCATION FUNDING

Mr. NATCHER. Dr. Trotter, you don't have any authorization for this, do you?

Mr. MILLER. There is the automatic 1-year extension.

Mr. NATCHER. I know, but aren't you kind of stretching the blanket, Mr. Miller, when you come in here and say, "We are going to put in $160 million under innovation, we are going to delete the basic vocational education program and program for students with special needs?

Dr. TROTTER. We do have legislation before the Congress.

Mr. NATCHER. Do you have authorization to omit these? The authorizing committee has never agreed to this, isn't that correct? They never agreed to this move.

Dr. TROTTER. As we come up for reauthorization, what we are trying to do is take a look at the total program and give you an opportunity to react to what we think is the best way to target this money.

Mr. NATCHER. But you are not sure about the authorization, are you, Dr. Trotter?

Dr. TROTTER. Yes.

Mr. MILLER. Mr. Natcher, I think the issues on impacted aid have been aired many times and we don't have anything new to say. We have a very good case to make here. We are saying that we think the money should be more flexible and usable for a number of purposes. Much of this money would be spent at the discretion of the State, not the Federal Government. If they wanted to use it for those programs that you are concerned about, they can use it for those purposes. It doesn't prevent them.

We feel that more money ought to be targeted toward new purposes in vocational education rather than some of the traditional ones.

Mr. NATCHER. Mr. Miller, at the same time you need authorization to do this.

Mr. MILLER. Yes, we do.

Mr. NATCHER. But you don't have it.

Mr. MILLER. Normally our budget is based on the legislation that we are going to propose. That is the case here. We will have legislation before the Congress proposing this.

Mr. NATCHER. As it now stands, you don't have the authorization for this move. Go ahead, Dr. Bell.

Dr. BELL. I was going to say that we do have authorization under the innovative and research parts of the program. The vocational education proposal that the administration has would do what has been done in a number of other programs. It would consolidate a large number of the categorical programs. I have given testimony on this before Congressman Perkins' committee. It would consolidate a large number of these categorical vocational programs into these two broad areas, basic grants to States and the innovative programs which are split, 50 percent to be spent at the Commissioner's discretion.

We should point out that we are not decreasing the total amount of money requested for vocational education, but we are proposing quite a different approach than we have had in the past.

As I say that, I should also indicate to you that I am aware of the letter that the chairman sent to Secretary Weinberger on this. We raised that question again as to what we should do in connection with this. I think the position of the administration was to try to push hard with the bill that they had proposed and at least leave this request in this format at this point.

I recognize when I say that that isn't congruent with the letter that the chairman sent to the Secretary.

Mr. MILLER. But we did respond to the chairman and said we would be prepared at these hearings to tell the committee, if they were going to appropriate under the existing categories, how we would distribute the funds.

Dr. BELL. The chairman's letter I think realistically said that, knowing how long it takes for legislation, the probabilities of legislation to get enacted in accordance with your calendar were quite remote. I am aware of that.

Mr. NATCHER. Dr. Trotter, I want to thank you and Dr. Bell for your answers to these questions. We will take them up now as we go through and as we come to these items we will develop it more in detail.

THE APPROPRIATE FEDERAL ROLE IN EDUCATION

Mr. SHRIVER. On page 2 of your statement, Dr. Trotter, you say, "I believe the resulting inequities have not been fully addressed at the State or local level and have, therefore, become a Federal concern." Is that when an issue becomes a Federal concern, when the State and local levels don't do anything about it?

Dr. TROTTER. Yes; that is one of the criteria for Federal involvement. What we are trying to do is reinforce the State and local levels where they haven't been able to do as much about it as should be done. There are a lot of reasons for their inability to do this.

Mr. SHRIVER. I understand that. What is the criteria for a program to be a Federal concern? Is it when somebody else doesn't do anything about it?

Dr. TROTTER. When a problem or need is a national concern, there is good reason for Federal involvement. Other appropriate areas of Federal effort include assessment of the status of American education, and advancement of the state of the art in education. Federal research and development can be of great importance in bringing about improvements in educational practice.

EMPHASIS ON BASIC OPPORTUNITY GRANTS

Mr. SHRIVER. I noted on the next page you say you are going to have a lower level for the work study program at a time when schools need more, not less, financial support to employ students.

Dr. TROTTER. As you know, our emphasis is on direct aid to the students so that the student may have as much choice as possible.

Mr. SHRIVER. The basic opportunity grants.

Dr. TROTTER. The BOG's program is where we have really placed our emphasis.

NATIONAL CENTER FOR EDUCATION STATISTICS

Mr. SHRIVER. I would like to have you discuss the National Center for Education Statistics. This week our offices received copies of the first report of this center entitled "The Condition of Education." As I understand it, it was out on March 1. This center hasn't been operating very long, I know. What is your assessment of it?

Dr. TROTTER. It has been operating, but it was a part of the Office of Education and has been transferred to the Office of the Assistant Secretary. We are in the process right now of looking for a new Administrator for the National Center for Education Statistics. This is going along very well. In the 1976 budget we have placed an emphasis on certain programs. One is that we really want to do as much as we can to make the Center's program more timely. We want to get as broad a data base as we possibly can for elementary and secondary education. We are going into postsecondary education in terms of the data base so that we can understand what the problems are and can make some predictions.

I think the National Center is going to be one of the best tools that we have in terms of prediction and in terms of reinforcing and helping us to make decisions that we have to make in the future.

Mr. SHRIVER. I notice in that report that the center has been requested to do a study of the impact aid program.

Dr. TROTTER. That is right. That was a request from the authorizing committee, I think.

Mr. SHRIVER. Maybe it would have been better to have waited to make a change in the program until you have the results of that report, following up on what Mr. Natcher said.

Dr. TROTTER. Of course, this will give us a basis for reassessing what we do or reinforcing what we do.

SERVICES PROVIDED BY THE NATIONAL CENTER FOR EDUCATION STATISTICS

Mr. SHRIVER. Could you tell us what additional services would be available to our congressional offices through this center?

Dr. TROTTER. We are doing some longitudinal studies about the characteristics of students. I think the data core is probably going to be more helpful than anything else to you because this really will give you information that you need. We are planning now to have this data available for States as well as for the total national scene.

Mr. SHRIVER. I noticed that the Center report said that the achievement in the study of science by the 17 year olds in America was declining according to that national assessment. What is being done, if that is true?

Dr. TROTTER. This is a statistic that we do have to take a look at and be concerned about. The National Institute of Education is doing a special study on teaching science and teaching basic science. What happens is that this all fits together. I think we always hope that we are going to do more projection than reacting, but we do find ourselves in positions where we do react sometimes to new data.

We do have quite a few special studies that are in that report. We will be very happy to see that you get those reports in detail and in depth, if you would like to have them.

[The information follows:]

ADDITIONAL SERVICES TO BE PROVIDED BY THE CENTER

Several programmatic and management changes have been made in the Center concurrent with its shift to the Office of the Assistant Secretary for Education, which will further improve services to Congress.

Included in these changes are: utilization of a rigorous planning process to select and more adequately staff high-priority projects; deferral of a number of labor-intensive projects; streamlining of management procedures; expansion of the computerized remote-access educational data base (EDSTAT); and an increased capacity for NCES' reference service.

More specifically, a new program to improve services available to Congress is being implemented. In the past, when congressional and HEW planners and policymakers have urgently needed data not regularly available from the ongoing survey program, the need could be served, if at all, only by an ad hoc study. To meet this type of need in a systematic way, a project now underway will design, establish, and test a continuing, technically sound data collection mechanism to conduct these special surveys and analyses efficiently within a 1- to 2-month time frame from problem statement to completion. The system will be ready for use by late fiscal year 1976 and will permit sample data collection from public and nonpublic schools, State and local education agencies, and postsecondary institutions.

In addition, fast response studies completed in fiscal year 1975 to meet the needs of planners and policymakers obtained information on such topics as excess costs of educating handicapped pupils, and trends in the number of students training to become teachers in leading teacher training institutions.

Dr. BELL. I think it's important to point out, Mr. Shriver, that the Center is prepared to make some quick response surveys. If this committee had some need for some immediate data, they would be able to respond to special requests from the committee for data in that regard.

Dr. TROTTER. One of the things we are very anxious to do is to make the Center responsive to your requests. I think that we are more prepared and will be better able to do this than ever before.

FEDERAL EFFORTS TO REDUCE THE NUMBER OF HIGH SCHOOL DROPOUTS

Mr. SHRIVER. The report also showed that we are graduating about 75 percent of our 17 year olds from high school, and that this rate has not changed over the past decade, in spite of all the stay-in-school efforts that have been made by various agencies. Is there anything that is being suggested to improve that situation?

Dr. TROTTER. I think we are working on this. If we hadn't made these efforts our record might have been much worse. I think this reinforces the fact that we should be making even greater efforts than we are.

We also are seeing another phenomenon. That is that students are leaving school and then coming back into school. They are not dropping out but they are stopping out. I think we may be seeing more of that, where students will come back into the educational mainstream.

TEACHER SUPPLY

Mr. SHRIVER. We hear about the excess supply of teachers, at least in certain areas. What programs are being offered to retrain teachers in shortage supply fields?

Dr. TROTTER. I mentioned that one of the new emphases that we are having in terms of our Teachers Corps program is a focus on retraining for the first time.

Mr. SHRIVER. Are you having any success with that?

Dr. TROTTER. We have just started this focus in this program.

I still feel that the teaching surplus is overdramatized. We still have many shortages in many places. I would hope that one thing we can do is to get this balanced out across the country and get teachers into jobs that are available.

Mr. SHRIVER. Thank you, Dr. Trotter.

Mr. FLOOD. Mr. Roybal?

BUDGET REQUEST FOR EDUCATION FOR THE HANDICAPPED

Mr. ROYBAL. Dr. Trotter, I would like to examine with you your attitude with regard to some of the problem areas in education. You stated that we haven't done the best job we could in teaching the child who speaks a language other than English. You went on to say that we also have not done a good job on the handicapped.

Dr. TROTTER. When I said the handicaped, I meant that many handicapped young people have not been reached. There are many who have not had the opportunity to go to school or the opportunity for home study. We are hoping now that local education agencies will put these students into the mainstream. We know that they will be less disadvantaged if we can really help them, if they are teachable, to perform.

Mr. ROYBAL. It concerned me somewhat that we were perhaps not reaching the handicapped.

Dr. TROTTER. I think this concerns all of us. Local education agencies are only reaching about 62 percent of the handicapped children. We are going to have to reach more.

Mr. ROYBAL. Is our budgeting enough?

Dr. TROTTER. If we would reach them all, it would quadruple our budget at this point.

Mr. ROYBAL. Are we budgeted just for the 62 percent we are reaching? Are we budgeted adequately for that 62 percent?

Dr. TROTTER. That is an estimate. We are trying to reach more all the time. That is one of the programs where the Federal Government is really reinforcing what is done at the State and local level. We hope that the State and local levels will also put more money into reaching these students.

Mr. ROYBAL. The problem of the handicapped is really the problem not of just the educated but a problem of the society as a whole. Has there been a reluctance to fund adequately or to expand the program so it reaches more of the handicapped?

Dr. Trotter. I think we are more aware now of what we can do by reaching the handicapped and putting them into regular schools than we ever have been before.

Mr. Roybal. I was interested because my daughter teaches the handicapped. It's a new and wonderful experience for her and she is wondering now why she chose to teach in the regular classroom in the past.

Dr. Trotter. We are hoping that students who do have a handicap will be put into the regular classrooms and that as part of the classroom they will not be singled out as being handicapped, and that this will help us all to accept people with different problems. I think that this is really something that is very much needed.

TRAINING TEACHERS OF THE HANDICAPPED

Mr. Roybal. Are the teacher corps and other retraining programs that we have putting some emphasis on teaching the handicapped?

Dr. Trotter. Yes, they are.

Mr. Roybal. In the teacher corps also?

Dr. Trotter. Yes. We are putting emphasis on our training programs and on our retraining programs because it is important to help the regular teacher understand the special problems in teaching a handicapped student. You have to be able to understand what these problems are. So this means that the regular teacher does have to have some special training.

Mr. Roybal. I would think that a person would have to have special training to teach any of the handicapped.

Dr. Trotter. There is no doubt about it. The same thing is true with the disadvantaged. There are special skills that you need in order to teach the children who have not come up through a normal school system.

SUFFICIENCY OF FUNDING FOR THE HANDICAPPED

Mr. Roybal. In your opinion, is there "adequate budgeting"? That is in quotes because we never had adequate budgeting to train and retrain teachers so that they in turn can teach the handicapped and disadvantaged.

Dr. Trotter. This certainly is our goal.

Mr. Roybal. But that is not the case at the moment?

Dr. Trotter. That is right.

Mr. Miller. Could I make a point, Mr. Roybal? I am not sure we have made clear to you that there is a great difference between what the Federal budget proposes to do in funding the handicapped versus what the States propose.

The great bulk of the funds, as I am sure you know, are in teaching the handicapped; over $3 billion I am certain is spent by the States. Essentially they are carrying out the service programs that help individual handicapped children. All the Federal Government has said its role is—and it's a controversial matter—is to try to demonstrate new methods of doing it, to increase capacity, to help retain teachers, but not to provide the basic funds that provide the service programs. As Dr. Trotter said, we would have to more than quadruple our budget to do that.

Mr. ROYBAL. I understand, but I was directing my question to our retraining program and whether or not there is enough budget for that purpose.

Dr. TROTTER. It certainly is a part of the Teacher Corps program, and there is a request for $37.5 million under the handicapped budget for training.

Mr. ROYBAL. The Federal Government is constantly criticized by educators in the various States, by Governors and mayors, for the fact they believe we are not putting enough of our dollars into education. So this matter of opinion, I think, really results in the student himself suffering the consequences. If we take the attitude that we have done enough, that the States should do it and the States, on the other hand, believe that we should do it and nobody seems to actually be doing the job, then the youngster or the recipient of the education is the one who actually suffers.

Dr. TROTTER. One of the things we really need to know more about is financing and productivity and management in terms of schools. This is one of the main goals of the National Institute of Education. That is a program that they will be addressing themselves to and one that we need badly so we will have more information, so that when we make the kinds of decisions that must be made we have something to base that decision on rather than shooting from the hip.

SCOPE OF THE BILINGUAL EDUCATION PROGRAM

Mr. ROYBAL. In the field of bilingual education, you stated that we are dealing with 42 languages. These are no doubt the language of the home. Does that include also the Indian and Indian dialects?

Dr. TROTTER. Yes; it does.

Mr. ROYBAL. Excluding the Indian and their particular dialects, how many do we actually have as an estimate or a guess?

Dr. TROTTER. About 29 or 30. It's 29.

Mr. ROYBAL. Can we say 29 or 30 are the actual languages outside of the Indian dialects and therefore under the Bilingual Education Act there are 30 languages that are used as the basis for the teaching of English?

Dr. TROTTER. I would say that is true primarily.

Mr. ROYBAL. Are these programs, in your opinion, good programs and have they done a good job?

Dr. TROTTER. We are working very hard to make these programs better all the time. There isn't any doubt about the fact that we still have a lot to learn in the way that we teach a bilingual program. We have not really been attuned to bilingual programs for a very long time. We have a big training program, a great awareness that we are going to have to do a better job with than we have ever done.

Mr. ROYBAL. I am very pleased to have you say that because the programs that I have visited, which I have been very much impressed with what I see, I still can detect a great deal of thoughtlessness in the way the program is conducted and the way the teachers are attempting to teach. If we have such a program where we train teachers so that they are at least prepared to go into bilingual education, I think that the Federal Government is then doing a job that it was intended to do.

IMPORTANCE OF TEACHING METHODS IN BILINGUAL EDUCATION

Dr. Trotter. Knowing two languages is not enough. We know this, too. It's the way you are able to teach students and the methods you use.

Mr. Roybal. My colleague said he wonders why it is that people don't concentrate on learning English. I agree. I think we should be proficient in the English language. On the other hand, some of us who come from parents who spoke another language are quite fortunate if the educational system permits us to become proficient in both languages simultaneously.

Dr. Trotter. That is right, and use both languages simultaneously.

Mr. Roybal. I have had the experience in Los Angeles where I was forbidden from speaking Spanish in the classroom and on the playground and I grew up with the attitude that perhaps Spanish wasn't the language that I should continue speaking. Then the time came for me to prepare to go to college and, after a little struggle with the adviser, it was finally prevailed upon her I should take the college preparatory school. She said one of the things you have to do before you get to college is to take a foreign language. I can just give you one guess as to what language she asked me to take.

Had I grown up learning English and Spanish at the same time, it is quite possible that when I got to the high school level perhaps she would have recommended French and today I would speak three languages. Most educated Europeans are not satisfied with just speaking one language. They speak two, three, and four languages.

Dr. Trotter. This, I think, is something in which we are at a disadvantage.

Mr. Roybal. I believe that this program of bilingual education addresses itself to that subject matter quite well. By the time those youngsters get to the high school age they will be disadvantaged as I was and as other Spanish-speaking people were at the time that I was growing up when we were actually forbidden to speak the Spanish language.

Dr. Trotter. I think the students who grow up speaking only English will be at a disadvantage.

Mr. Roybal. The biggest advantage I found to being bilingual is the fact that when I was a member of the Committee on Foreign Affairs I went throughout Latin America seeking information which no one else in the committee could get. I was able to get it because I happened to become acquainted in the Spanish language with some of the officials. We became friends because we both spoke Spanish and I was able to get the information we needed. We conducted the proper audit based on the information I had received and made the necessary changes.

Dr. Trotter. There isn't any doubt that it's great.

Mr. Roybal. There isn't any doubt that there are tremendous advantages.

Dr. Trotter. I think we are very fortunate that we are going to have this program and we will have more people who can do the same thing.

Mr. Roybal. I am sorry that the funding for this coming fiscal year is at the same level as last year. I think it should be increased. Thank you, Mr. Chairman.

Mr. Flood. Mr. Conte?

BALANCING NEAR- AND LONG-TERM NEEDS

Mr. CONTE. Thank you, Mr. Chairman.

Dr. Trotter, I think you hit the nail on the head when you said take a critical look on how we may better use our human and fiscal resources.

In assuring the availability of educational opportunity, glancing through the budget requests for educational programs, I am concerned that we are missing the mark. Throughout are proposals to eliminate, phase out, or reduce existing programs. In their place are recommendations for strengthening programs, for innovations, research and development. My concern is that, in striving to improve the quality of education in the future, we may be denying the needs of many who require assistance now. In setting your priorities, how do you balance these competing needs?

Dr. TROTTER. One without the other would be ill-advised. Our main emphasis is still upon equity and educational opportunity in terms of the disadvantaged.

One of the problems is that we can have equal opportunity in terms of access, but if we don't have a quality program to give these students they will still be disadvantaged. I feel that we have to work very hard to be sure that the kind of education that we are giving students is the very best quality. This balance I think is in the right direction.

There is no way that the budget that you are looking at does not emphasize equal opportunity and equity in terms of access. I believe that if we don't place an emphasis on research, if we don't take a look at how we can make educational changes and help do a better job, then 10 years from now we are not going to be as well off as we are today. Because of the social changes, because of what happens in the world, we are going to have to change the way that we teach if we are going to do a good job with the students who are in the classroom.

Mr. CONTE. We can strike that balance if we don't hurt the programs that are successful.

Dr. TROTTER. We haven't any intention of doing anything except reinforcing successful programs and using those as models, as a matter of fact.

DECLINES IN SCHOOL ENROLLMENT

Mr. CONTE. The American Council on Education recently reported that an Office of Education study projected a decline in college students beginning in 1978. To what extent is this expected decline taken into consideration in your planning?

Dr. TROTTER. As we look forward, I think this has been taken into consideration. However, these figures are not holding up very well right at the moment. We have recently had an increase in college enrollment, but as we look ahead we will probably have a decrease because we now have a decrease in the elementary schools.

It is not the numbers that makes the difference. It's the kinds of programs that makes the difference. One percent less students or 2 percent less students means that instead of having 20 students in a classroom you are going to have 18 students. You still have to have an instructor to teach 18. That may not be a very good figure. I am trying to say that with what is happening in education, we have an opportunity now to improve the quality of education these students are getting. We should take advantage of this and not think that it's going to cost us a lot less because we have less students. It may, but we haven't yet done the best job we could.

I would hope that our aim would be to reach just as many students as we possibly can in every way we can, and also that this is going to be a quality kind of program.

Mr. Conte. Of course, it would have a bearing though if there is a decline in the students in some of the ongoing programs, such as the EOG program and the defense loan program.

Dr. Trotter. But we have not really met the needs of as many students as we should meet at this time. Our cutoff point is really low enough that there are many students for whom we may be denying the opportunity for higher education or postsecondary education even now. In fact, I know we are.

Dr. Bell. I think it's important to point out that this budget will spend approximately $2 billion in fixed aid to students to go to college. We believe that the lack of employment opportunities for youth may change that projection that was made and there may be an increase and that there will also be a bigger demand because of the lack of employment opportunity for student fixed aid.

FINANCIAL DIFFICULTIES OF PRIVATE EDUCATIONAL INSTITUTIONS

Mr. Conte. Dr. Bell, the chairman asked you about the financial difficulties of private institutions. I asked a similar question of Secretary Weinberger when he was here the other day, stating the deep concern I have over the lot of these institutions. One of the finest is in the District of Columbia. They are having problems. Secretary Weinberger answered that the BOG program and defense loans, et cetera, are the programs that are going to help. But they are not helping, really. Many institutions are being threatened with closure. I think that we are going to have to look a lot further than basic opportunity grants and economic opportunity grants and work study programs.

Dr. Bell. I met with a group of presidents of private liberal arts colleges just a few days ago. They are deeply worried about their financial conditions. I am sure you have heard from many of the same group. They are concerned in this inflationary era about how they are going to survive.

I personally feel it would be a great tragedy if we lost the diversity which they provide to American higher education. I think they bring an element into our educational structure that it would be a tragedy to lose. I know that the student aid programs provide access to college and maybe some students enroll in these private institutions that otherwise wouldn't.

I also know that, because giving is drying up from philanthropic and other sources of funds, that they are suffering declines in budget at the time that their costs are going high. For that reason, they are having to increase their tuition fees.

Maybe the guaranteed loan program, the basic opportunity grant program and the work study program may be of some help in that regard. But I don't think it will do what the college presidents are asking for. That is to get some kind of aid that will tide them over this crisis. I share your concern in that regard.

Dr. Trotter. I think we are all concerned about this.

Mr. CONTE. I am pleased to hear that. But I think that really we are going to have to put all our heads together to try to come up with something awfully fast.

Dr. BELL. The only institutional aid program in that budget is aid to developing institutions. It's $110 million.

Mr. CONTE. But that only helps two or three schools.

Dr. BELL. Right. This whole higher education budget hasn't been designed to address itself to that problem. The question comes up again as to whether or not that is a Federal responsibility. As you raise that question with these private college presidents, they say that they think it ought to be someone's responsibility or we are going to lose a valuable national resource.

EDUCATION FOR THE HANDICAPPED

Mr. CONTE. Dr. Trotter, you answered Mr. Roybal on the handicapped. You had a little colloquy with him. Recent court decisions and State laws have mandated increased assistance for education for the handicapped. Yet the fiscal year 1976 budget request is $25 million less than was appropriated last year. In addition, the budget request places a lot of stress on innovation and development programs. What is being done to provide the assistance that the handicapped and the average Americans need right now?

Dr. TROTTER. What I tried to explain was that the Federal budget is really targeting on giving help, technical assistance, in helping States with innovation in areas where we are expecting the States to support the service portion of the program. I think you are talking about service programs. We are still doing some of that, but not as much.

One of the problems we have had is that we don't think we know how to do as well as we should the kind of teaching that these students need. So the innovation, the special programs, that can be used as models become much more important than they were. I think they have to become much more important if we are going to do the best job we can with these students, if we are to help them be productive citizens.

Dr. BELL. During the hearings we had on rescissions just a few days ago before this committee, we pointed out under questioning from the chairman that there are still 3 million handicapped children not being served in the public schools.

Under the pressure of the courts, the States are making a lot of progress in providing service to handicapped children that they have just simply been excluding in the past.

As we ask ourselves within the budget constraints that we have to work under in the Department and as we relate to the budget dollars we get, if we ask ourselves to try to address that $3 million deficit, it just would take up over the billion category of appropriations. We feel that we realistically couldn't get that magnitude of dollars.

We have concluded that the thing we ought to do is continue to try to help improve the training of handicapped teachers, improve the supply, because we can do that with a small order of dollars within reach of what we have. In addition to that, do the curriculum development, the caption films, program, and so on. So we have been in this area which we have emphasized under the term of "capacity building" trying to improve the capacity of the States and locals to utilize what they have more effectively.

I would say that there has been a great increase in State expenditures on handicapped children, notwithstanding the fact that there is a long way to go and that over one-third of them still aren't being served.

COUNTING THE NUMBER OF HANDICAPPED STUDENTS

Mr. MICHEL. How do you compute that 3 million? If you are afflicted with cerebral palsy, are you also considered mentally retarded and in the crippled children's group? How do we know you are not counting some of these people three and four times in that computation of 3 million?

Dr. TROTTER. I have raised that question, too, Mr. Michel. I raised it when I was a chief State school officer as we worked on this program in a State where we had a formula and on a finance formula could get it. The surveys that have been made of the population show so many per population of certain types of handicaps.

I see our expert, Dr. Martin, just came up here. He is not on the list of witnesses, but I am sure he could give some expert advice on this.

The surveys of various populations which show so many per thousand have this kind of a problem.

It's quite easy in the intellectually handicapped because we know from studies that have been made that a certain part of the population falls way, way down in that mental ability where they are intellectually handicapped.

I think the dollar is all within the ballpark. Double counting is a thing that Dr. Martin would have to respond to.

Dr. TROTTER. But we are emphasizing working with the severely handicapped and with the deaf. Often if we don't know they are deaf we think that they are mentally retarded, and that is not true. We are going to try to focus on some of the problems that we can do something about.

Dr. BELL. It gets down to how do you define someone who is handicapped. Maybe Mr. Royball was telling us in a nice way that most of us who are monolinguistic—which I say is myself—they have some kind of a handicap, and all of us I guess in some way or another have some handicapping circumstances.

I think the definition is that they depart from the norm to such an extent that, without special help, they are not going to be able to function well in society. Therefore, they are going to be a burden upon us and they are going to be on our welfare rolls and they are going to be custodial cases, and so on.

NEW LOOKS AT THE COUNT OF THE HANDICAPPED

I might add, without overdoing this, that I have had a great interest in early childhood education. I have been interested in the studies on increasing IQ in innate intelligence. If we get to youngsters, especially mentally handicapped youngsters, early enough, some studies show you can get a gain of as much as 20 and 30 percent in IQ. If you indicate a youngster who was under IQ 70 or 75, that is what we call an EMR educable, mentally retarded person. If we can get to them early in life, and they would get a 30-percent gain, they would be in the low normal range of capacity. Therefore, they would be able to function not as great scholars in universities but they would be able to function in a way that would make them productive rather than wards of the State.

Dr. MARTIN. I want to say Mr. Michel is quite right in saying numbers of the handicapped have more than one disability. In our breakout, Mr. Michel, we have tried to avoid the double counting by categorizing them by major disability. In fact, the Federal definitions result in our estimates of about 10 percent of school age children being handicapped, which is pretty generally regarded as an underestimate. This year we will probably begin increasing that to 12 percent because we have been only claiming that 1 percent of children were learning disabled while our latest studies are showing 6 and 7 percent. Now we are going to go to about 2 and 3 percent, still focusing on the most severely handicapped. I think you can feel fairly confident in these reports which we gather from the States each year to learn the numbers of children actualy served by category group and the projections of unserved children.

LIBRARY RESOURCES

Mr. CONTE. Dr. Trotter, you propose a switch in the library resources program to demonstrations grants. Can you tell me what the impact of this change will be on the 20 percent of the population not presently served by a library?

Dr. TROTTER. We feel that we have given overall support to libraries to the point where most of them are in pretty good functional shape. They are really doing a pretty good job. This new emphasis is to give special help. Again it goes back to emphasizing the special programs.

ASSISTANCE TO STATE DEPARTMENTS OF EDUCATION

Mr. CONTE. With increased decentralization of the education program, why do you propose reducing assistance to the State Departments of Education?

Dr. TROTTER. I beg your pardon?

Mr. CONTE. Why do you propose reducing assistance to State departments of education?

Dr. TROTTER. We are not requesting reducing assistance for State departments of eductaion, but are permitting the States to determine their own priorities in this area.

Dr. BELL. We should point out that the dollar figures which you see there are because of the consolidation. As far as title V of the Elementary and Secondary Education Act, which is the big dollar tab amount, that is in the consolidation package along with title III, ESEA and dropout prevention. It means that the State agency can spend the money in any of those categories under the grants consolidation program. However, the law won't let them spend more than 15 percent of that gross amount that they get for strengthening State education agencies.

In that particular item in the budget, there won't be a reduction, but we show it under the consolidation which shows a zero amount in the State department of education. But the same dollar amount is in the consolidation program, if that is the particular area.

ADMINISTRATIVE IMPROVEMENTS IN THE GUARANTEED STUDENT LOAN PROGRAM

Mr. CONTE. You proposed increased reliance on the guaranteed student loan program, despite a default rate of 18 percent. Can you tell us what you are doing to lower that default rate?

Dr. TROTTER. We are placing an increased emphasis on collection. I am told that for every dollar that we are spending on collections we are receiving about $8 in return. This appears to be a very good investment.

Mr. CONTE. It sounds like the Internal Revenue Service.

Dr. BELL. If I might respond to that, Mr. Conte, the program that we are now working on relates to a number of things. I was before Senator Pell this morning testifying on a bill that would change considerably some of the authorizing legislation. For example, we propose to suspend and limit and terminate those institutions with high default rates. We are proposing that the private proprietary schools not be approved as lenders because of the default rate that is hitting 50 percent. A number of changes like that have been made to help improve our program.

Mr. CONTE. Have been made or have been advocated?

Dr. BELL. Some have been made, because we have put new regulations in place. Others are advocated and the legislation is now before Senator Pell's committee and we hope will be before you on the floor of the House before too long.

I might indicate that the guaranteed student loan program default rate is likely going to continue to be high, if we compare it with the kinds of defaults we see in the private sector. We are charged with the responsibility of loaning money to the poor. They are the very persons whom many bankers would decline to make loans to. We feel that this is a good investment. Over 4 million students have received loans under the guaranteed student loan program. We have insured almost $8 billion in loans in the history of the program. We think that the cost/benefit factors in this would indicate that it is a good investment in providing access to schools, notwithstanding the default rate and the fact that we ought to be doing more on that.

We want to do a study, getting some economists involved in it, which would get us a real cost/benefit ratio factor on what this is doing by way of converting taxeaters to taxpayers and helping persons to get jobs and to become productive in the economic system and be taxpayers in carrying their share of the load of paying for government. Hopefully, before too long, we will have some testimony to give you on that.

All of that is not to obscure the fact that the default rate is high. In some institutions, particularly the private proprietary institutions, it's enormously high. We are taking some actions, including the legislation that we hope will improve that.

One of the worries we have is that because of the economic situation, the lack of youth employment opportunities right now may cause the default rate to continue to be higher, and even go higher.

BANKRUPTCY DECLARATIONS AFFECTING THE GUARANTEED STUDENT LOAN PROGRAM

Mr. CONTE. I am glad you mentioned that. That leads me to my next question. First of all, let me say I am very strongly in favor of the program, although I am concerned in this committee, as our chairman has been very concerned, about the numbers of young folks declaring bankruptcy. This is a terrible way to start life.

Dr. BELL. The legislation we have proposed would amend the bankruptcy laws and would void the situation now where a minor who signs a note for a loan can evade that under the protection of infancy under the law and some other matters relating to bankruptcy that we think may improve the program.

Dr. TROTTER. One thing we have to do is help students understand what their responsibilities are.

COLLEGE WORK STUDY

Mr. CONTE. Definitely. That leads me to my next question because, in your fiscal year 1976 budget request, you propose a $50 million reduction in the work study program which would reduce available jobs for college students by 104,000. That is a lot of students.

In view of the student loan default rate, doesn't it make sense to encourage students to go out and earn money rather than begging off on their loans, or not repaying them?

Dr. TROTTER. Again our emphasis has been on the BOG's program and giving equal access to an opportunity to have postsecondary education. It's a hard decision to have to make. I agree with you. The work-study program is, I think, a very successful program, one of the most successful we have. Here again it's taking a look and trying to use the best judgment you have as to where to place your money when there isn't enough to go around.

Mr. CONTE. I may be in the minority here, but I certainly would rather see more emphasis on the work-study program than on the BOG's program. I really do. I would rather see a kid go out there and do something to earn some money, rather than just handing the money to him.

Dr. TROTTER. We do expect students, even though they receive a BOG's grant, to work.

DISSEMINATION BY THE NATIONAL INSTITUTE OF EDUCATION

Mr. CONTE. You state that the National Institute of Education will stress dissemination of the products of research and development. Would dissemination be in the nature of scholarly papers? Or will it be directed to administrators and school board members?

Dr. TROTTER. It's going to be directed to the field, to the administrators and school boards. When we have something that has proven to be helpful, we want to put it in place. We want everybody to have an opportunity to know what is new and how it can be used and that it's available. This is what dissemination means. It really is putting it to use in the schoolroom.

PARTICIPATION OF PRIVATE EDUCATIONAL INSTITUTIONS IN THE NIE PROGRAM

Mr. CONTE. I know we touched on this, but is NIE working toward helping private institutions?

Dr. TROTTER. All of their program is done on a grant and contract basis. There are many private institutions which have grants from NIE.

PROGRAM EVALUATION

Mr. CONTE. You request additional funds to strengthen program evaluation. What guidelines did you use to measure success or failure?

Dr. TROTTER. This is programmatic and depends on which program. We really are trying to come up with—are you talking about NIE in terms of evaluation?

Mr. CONTE. Yes.

Dr. TROTTER. NIE is looking at as many different ways of evaluating programs as they can, and comparing ways to see whether we are really evaluating programs successfully. This is a research process; it's really a demonstration research process. It has to be able to be repeated before we can say that this is right and show that it is validated. Then it can be used for any number of programs.

Mr. CONTE. You had better come up here with a real strong case this year. I am about the only person fighting for NIE.

Dr. TROTTER. We hope you will continue.

Mr. CONTE. It has had a bad track record before this committee.

Doctor, do you want to add anything to that?

Dr. BELL. No, sir; I don't believe I will. I have enough trouble defending OE.

COSTS OF ADMINISTERING FEDERAL EDUCATION PROGRAMS

Mr. CONTE. I have one last question. What is the cost of administrating the various Federal education programs? What efforts are you making to reduce this overhead?

Dr. TROTTER. I am sorry, I didn't hear the first part of your question.

Mr. CONTE. What is the cost of administering the various Federal educational programs? Maybe you will have to get that for the record.

Dr. TROTTER. I will have to supply this for the record.

[The information follows:]

COST OF ADMINISTERING EDUCATION PROGRAMS

OFFICE OF EDUCATION

There are several types of administrative costs incurred in managing Office of Education programs. The first are internal administrative expenses which encompass employee salaries and other costs related to administration. In fiscal year 1975, the Office of Education obligated $53,426,400 for salaries and $41,357,500 for related expenses. It is estimated that in fiscal year 1976, $58,234,200 will be expended for salaries and 45,562,000 for related costs. The second category of expenses relates to programs which require State or local educational agencies to expend a specific portion of basic allotments for administration. In fiscal year 1975, over $119 million is expected to be expended by States to administer such programs. The third category of administrative costs covers programs under which States or local educational agencies may use portions of basic allotments for program administration but are not required to do so. In fiscal year 1974, the latest year that complete information is available, the States expended approximately $95 million and the local educational agencies over $144 million for program administration under this category.

NATIONAL INSTITUTE OF EDUCATION

In fiscal year 1975, $8,989,000 was expended for salaries and $2,667,000 for other expenses related to administration. In fiscal year 1976, the figure for salaries will be reduced to $8,217,000 while the amount expended for other administrative costs will be approximately $3,133,000. The reduction in salaries will include:

Reducing the size of central management staff—persons other than program staff.

Eliminating summer employment.

Reducing consultant services.

Maintaining a restrictive policy on promotions.

OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

Salaries for administering programs within the Office of the Assistant Secretary for Education totaled $4,985,100 in fiscal year 1975, with an estimated $5,816,000 to be spent in fiscal year 1976. In addition, other expenses related to administration, including policy analysis and data processing, totaled $1,609,900 in fiscal year 1975 and an estimated $2,853,000 in fiscal year 1976 for the Office.

Mr. CONTE. I would also like to know what you are doing to reduce overhead?

Dr. TROTTER. One of the things that NIE is working on is trying to come up with the best management system possible for school financing and for our programs. This is something that we are really working on in trying to lower administrative costs. In terms of overhead itself, it's a hard question to answer because overhead is so different for different kinds of programs. Some programs have very little and some have a lot.

Mr. CONTE. You don't have any scheme?

Dr. TROTTER. This is something that our evaluation efforts and that the NCES is taking a look at. We are trying to take a good look at what overhead means and whether we can evaluate it in terms of whether we are being fair or whether we are being too generous or not generous enough. It's an area that we are concerned about.

This also helps us determine whether we are being cost effective in the kinds of programs that we have. We really do want to be cost effective. This means a continual evaluation of what we are doing.

Mr. FLOOD. Mr. Stokes?

Mr. STOKES. Thank you, Mr. Chairman.

FOLLOW THROUGH

Dr. Trotter, in the former part of your testimony you tell us that you have had great success in the Follow Through program. Then you say to us that it would be continued in 1976 only for those children already participating.

Dr. TROTTER. As you know, this was not designed as a service program. It was designed as a demonstration program. We will have completed the demonstration and will have models which many, many schools can use. We hope they will take the information that we have from Follow Through and put it into place in many districts that haven't had a Follow Through program. This is a demonstration that has been validated. Again we hope that this will be used by many schools.

Mr. Stokes. Will it be completely phased out at the end of 1976?

Dr. Bell. No, sir.

Dr. Trotter. It goes on to 1977.

Dr. Bell. We propose to eliminate a new cohort or an entering class. In fact, I think our budget proposes half of the first grade class entering rather than a full class, so there would be a gradual phasing out over a period of time.

Dr. Trotter. I think in 1977.

RIGHT TO READ

Mr. Stokes. Thank you. How about the right to read program? I note that you are requesting that it be funded at the same level as the current fiscal year. Is there some reason why you are going to fund it at the same level?

Dr. Trotter. What we are trying to do is keep in place what we have. We feel it's a very important program, but because of priorities and budget cutbacks in view of the economic crunch, we felt this was not a program that we could put more money into. But we certainly didn't want to put less money into it.

Dr. Bell. Mr. Stokes, with the new legislation, the education amendments of 1974 and the Reading Improvement Act therein, we are going to have some problems with that related to this budget level that we are now allowed to have. We have been funding the right to read program. As a part of that program we have been funding efforts in State education agencies, for them to provide leadership in reading. We have that in over 30 States.

Under the new legislation, the appropriation has to get up over $30 million before we trigger a level where we can fund the section in the title of the act that will permit those same grants to State education agencies.

When we get into the more detailed testimony we will need to discuss with you the problems related to that as it relates to this funding level. We may need to ask for some kind of adjustment in order to make the program function at this funding level.

Mr. Stokes. How many young people have we been able to administer this program to? Can you give us some idea?

Dr. Bell. The right to read program indirectly has affected up into the millions of students in over 30 States.

As far as direct instruction with that small budget, of course, it hasn't done that. But it has provided the impetus for improving reading, for better leadership and supervision and direction in reading that would impinge upon a large portion of the 48 million children who are in the public schools. That is a global responsibility that you couldn't justify by saying that we are serving anywhere near that many children. But where we are serving over 30 of the 50 States through this program that have right to read programs, we are indirectly improving the quality of reading in that many.

Dr. Trotter. There are a lot of materials that are being developed that all schools use.

Mr. Stokes. You mean as a result of the program itself?

Dr. TROTTER. Yes.

Mr. STOKES. We will be getting further additional testimony from you later on?

ELIMINATING ADULT ILLITERACY

Dr. BELL. Yes. In addition to that, in private industry there has been a great deal of interest and participation in the right to read program in helping to attack adult illiteracy. So it's also out in the private sector with a great deal of impact.

Mr. STOKES. On this question of illiteracy, which you have just alluded to. In your testimony you mention trying to end illiteracy. I understand that to be the objective or the program goal, especially when you make reference to the economically disadvantaged and the mentally and physically handicapped.

In that vein, you indicate that this is an area in which the Federal Government must attempt to do more in light of the failure of the States and local jurisdictions to approach the problems that the economically diadvantaged or the physically and mentally handicapped have. Would that be an accurate assessment of your opinion?

Dr. TROTTER. If you are addressing this to me, I would like to say that the Federal role is to reinforce and to extend what the State and local communities can do. This means that sometimes the Federal money has an impact that goes much further than the amount of money itself. Because it encourages and gives incentives and provides direction to some problems that need to be addressed. The State and local levels are interested in these problems and they are more able to do it than is the Federal Government. With the kind of technical help, and so forth, that we can give at the Federal level, they can do more.

Mr. STOKES. Isn't this an area where the States have rather lagged behind, generally speaking?

Dr. TROTTER. One of the reasons that we are as active as we are and have put as much effort into it as we have is that they have not really done as much as we feel they should do. It's also because the effort at the State level has been uneven. Some States have done more and some, not very much at all.

FEDERAL ROLE IN PROVIDING INCENTIVES

Mr. STOKES. Do you think that the continued role of the Federal Government futuristically ought to be in the area of trying to provide merely the incentives and funding?

Dr. TROTTER. I believe this is true. I don't think there are any States or local agencies that would want the Federal Government telling them what to do and how to do it and where to do it.

THE BUDGET REQUEST FOR EDUCATION IN FISCAL YEAR 1976

Mr. STOKES. Does your $6.1 billion for the education division represent an increase or a decrease?

Dr. TROTTER. It's about a stay level budget. There is a little bit of a decrease from our request last year.

Mr. STOKES. Can you tell us why?

Dr. TROTTER. This is an effort to take our share of what the problems are economically for the country. It's the stresses and strains of the economic situation.

Dr. BELL. I think it's important for us to say for the record that, if it's an increase or decrease from the previous year's recommendation of the administration or as it relates to the previous year's appropriation, there is no question that it is a decrease of over $400 million in actual appropriations.

BASIC EDUCATIONAL OPPORTUNITY GRANTS

Mr. STOKES. Let me ask you about the basic educational opportunity grants. How much are we presently putting into that area?

Dr. TROTTER. About $1.2 billion.

Dr. BELL. That is our recommendation.

Dr. TROTTER. That is our recommendation for it.

Dr. BELL. Currently we are spending much less than that.

Dr. TROTTER. Currently we are spending $660 million. We are recommending this year to fully fund the BOG's program, for 4-year students, both part and full time. That is what our recommendation is. As you can see, we have placed great emphasis on the importance of this program.

Mr. STOKES. Yes, I see you have.

Dr. BELL. It's important to say, Mr. Stokes, when you look at that figure that the total amount of money spent in that whole student aid package is about the same. You will see that we reordered where it's to be spent. You heard the concern expressed by other members of the committee about a decrease in college work study. It was out of that source that we got more money for the basic opportunity grants.

We want to target the money on the poor. We feel that is important. We feel that it's an outright grant to the low-income poor. That is what our strategy has been here. You note some of the campus-based programs are phased out entirely as part of our strategy to raise more money for this purpose.

TIGHTENING THE ADMINISTRATIVE MACHINERY OF THE GUARANTEED STUDENT LOAN PROGRAM

Mr. STOKES. In light of that, at page 3 where you say you would "tighten their administrative machinery for the repayment of guaranteed student loans" and you go on further, what do you mean by "tighten the machinery?"

Dr. TROTTER. As you know, Commissioner Bell earlier explained what we are recommending, which is to lower the default rate and to have a better control of which agencies are loaning, by having most of the loans go directly through financial institutions rather than through an educational institution. We are also trying to tighten up the understanding that the students have of what their repayment responsibilities are and what bankruptcy means as well as make it more difficult for them to file for bankruptcy.

Dr. BELL. One of the moves, for example, Mr. Stokes, would eliminate the authority that the private proprietary schools now have to be lenders as well as to be institutions. We have felt that many private proprietary schools are funding themselves through the guaranteed student loan program by turning the Federal dollars over and by aggressively recruiting students, many of whom ought not to be in this type of school, to get a loan for them only to drop out in the lack of success, resulting in a huge default rate of close to 50 percent.

The legislation that I testified on before Senator Pell would prohibit private proprietary schools from also being lenders. We don't propose to prohibit the schools from participating, but we prohibit them from being into both of those roles at the same time where we think they are turning over dollars and capitalizing and funding the totality of their institution at the expense of the GSL program.

Mr. STOKES. Commissioner, what happens to that student who has partaken of a student loan but then drops out of school for one reason or another?

Dr. BELL. At the present time he has been required to repay the loan. He is defaulted on the loan. We have promulgated new regulations that have generated quite a bit of controversy in the academic community. We are using the authority that the Commissioner has to require that they have a refund policy. Some of the large prestige institutions have particularly expressed concern about this. We are going to require a refund. After allowing for the expense involved, the refund would largely be commensurate with the amount of educational service that the student received at the time that the tuition was paid.

Another proposal we have that may be of interest to you is that we would permit—which is not now permitted, and would encourage the payment of a guaranteed student loan—say, $1,500, in three quarterly payments of $500 each rather than to put the whole $1,500 out at one time. That is in the provision of the law that I referred to which I testified on this morning.

Mr. STOKES. I am certainly glad to hear of those new regulations because I am aware of some of the problems that have been created in those areas.

"DROP-OUTS" AND "PUSH-OUTS"

Let me ask you about the drop-out, the push-out situation that exists in the country today as it relates particularly to the economically disadvantaged and other minorities. Is the situation increasing, decreasing, or at an even level?

Dr. TROTTER. I don't think that it is increasing. The drop-out rate is a little less than it was.

Mr. STOKES. A little less nationally?

Dr. TROTTER. Yes.

Dr. BELL. There is a concern that ought to be expressed which is related to that. It's a problem that has been brought to my attention. We have had a number of meetings on it in our office. We have met with the Office of Civil Rights people. Dr. Goldberg, who runs our school desegregation program, has been concerned about this. We have met with school administrators on it.

We are concerned about what we think is a disproportionate number of students of minority and low income status who are suspended and expelled from school. We think that some of these may relate to situations where court-ordered desegregation has just taken place. We can't help but think that some of the measures taken are maybe slightly punitive. So we have been trying to correct some of these matters and have been holding meetings on them.

That doesn't relate to the dropout as much, but you used the term "push-out." That is the suspended and terminated student. I was pleased to see the U.S. Supreme Court come down with a ruling on due process for students, where they are entitled to a hearing which is more of a due process than they have had in the past.

Mr. STOKES. Thank you.

Dr. BELL. We have a long way to go in that regard, Mr. Stokes.

Dr. TROTTER. You are talking about, I assume, the secondary level rather than the postsecondary level?

Mr. STOKES. Yes, secondary level. Once again, I am delighted to know that you are aware of the situation and that you are at least holding meetings and discussing it and trying to exhaust all possible solutions to this problem, which is a tremendous problem nationally today.

Dr. BELL. Yes, it is.

BLACK EDUCATIONAL INSTITUTIONS

Mr. STOKES. In terms of the situation posed by Mr. Conte when he made reference to the tremendous problems of private institutions at the postsecondary level, particularly under the present economic crunch, I would also place our black institutions, black colleges and universities which are having a tremendous financial problem.

Dr. TROTTER. You do know that a large proportion of our grants that are going to developing institutions are black institutions.

Mr. STOKES. Yes.

Dr. TROTTER. They are being helped in this way. They are concerned too. We have had quite a few meetings with them in the last few weeks.

Mr. STOKES. Dr. Glouster, the president of Morehouse College, just wrote an excellent article which I put in the Congressional Record a day or two ago which called attention to the plight of the black institutions.

Dr. TROTTER. You probably should know, too, that every black institution does get some help from the Office of Education, so that they do get reinforcement.

Dr. BELL. They tell me they don't get as much as they need.

Mr. STOKES. No, I know they certainly need much, much more, particularly in light of the tremendous responsibilities placed upon them.

Thank you very much.

FEDERAL FUNDS FOR EDUCATION

Mr. FLOOD. Thank you, Dr. Trotter.

The committee will continue with Commissioner Bell tomorrow afternoon. We will insert in the record a special report on Federal funds for education prepared by the Department.

Federal funds for education and related activities actual outlays, by agency, fiscal year 1974

	Millions
Total	$14, 025
Department of Health, Education, and Welfare	7, 393
Office of Education	4, 885
Office of Education programs include activities provided under the Elementary and Secondary, Higher Education, Handicapped, National Defense Education, Education Professions Development, Vocational Education, Library Services and Construction, Cooperative Research, and administration expenditures of the Office of Education. Amounts include loan and grant funds.	
Public Health Service	817
Includes health research fellowships, traineeships, and training grants, research career awards, health education facilities, training in public health service hospitals, research projects in educational institutions, and student loans for students in the health professions.	
Social Security Administration	937
Includes amounts of benefits to children in school paid to families with school-age children.	
Social and rehabilitation services	37
Includes fellowships and traineeships, teaching grants, and support of training from grants to States for vocational rehabilitation services.	
Other Health, Education, and Welfare	717
Includes education and related activities of Gallaudet College, Howard University, American Printing House for the Blind, Office of Child Development, National Technical Institute for the Deaf, Model School for the Deaf, Food and Drug Administration.	
Department of Defense	1, 201
Includes support of overseas schools for dependents; service academies, ROTC, research in educational institutions; technical-professional training of military and civilian personnel, civil defense research and training, and support of schools in the Panama Canal Zone.	
Veterans Administration	2, 914
Includes subsistence allowance for veterans in vocational rehabilitation, readjustment benefits, training of medical personnel in VA medical facilities, and research in educational institutions.	
National Science Foundation	65
The educational programs of NSF include fellowship, traineeship, and training grants in the sciences in addition to faculty training and curriculum development. Also included are general institutional grants and basic research and research facilities funds awarded to institutions of higher education.	
Department of Housing and Urban Development	91
Includes college housing loans and grants, fellowships for city planning and urban development, training of State and local personnel for public service, model cities grants, and research in educational institutions.	
Department of Agriculture	1, 521
Includes funds for agriculture experiment stations, extensions services, the National Agricultural Library Service, Consumer and Marketing Service, Food and Nutrition Service, shared revenues from forests funds for support of schools, school food services and programs and research in educational institutions.	
Department of Interior	200
Includes Indian education, support of education in the territories, and research in educational institutions.	
Other[1]	640

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[1] Includes expenditures for education and related activities by: Departments of Commerce, Justice, Labor, State, Transportation, and Treasury, and other agencies and offices including AEC, AID, Appalachian Regional Development Commission, Environmental Protection Agency, General Services Administration, Government Printing Office, Library of Congress, National Aeronautics and Space Administration, National Foundation on the Arts and the Humanities, Peace Corps, Small Business Administration, Smithsonian Institution, USIA, ACTION, Corporation for Public Broadcasting.

FRIDAY, MARCH 7, 1975.

OFFICE OF EDUCATION OVERVIEW

WITNESSES

DR. T. H. BELL, COMMISSIONER OF EDUCATION

DUANE J. MATTHEIS, EXECUTIVE DEPUTY COMMISSIONER OF EDUCATION

S. W. HERRELL, ACTING DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION

DR. EDWIN W. MARTIN, ACTING DEPUTY COMMISSIONER FOR EDUCATION OF THE HANDICAPPED

ROBERT R. WHEELER, ACTING DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS

DR. WILLIAM F. PIERCE, DEPUTY COMMISSIONER FOR OCCUPATIONAL AND ADULT EDUCATION

EDWARD T. YORK, JR., DEPUTY COMMISSIONER FOR MANAGEMENT

DR. JOHN W. EVANS, ACTING DEPUTY COMMISSIONER FOR PLANNING

MRS. CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER II, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. We now turn to the Office of Education. The witness will be Dr. Terrell H. Bell, the Commissioner of Education. We have read your statement, Dr. Bell, and we will insert it in the record at this point.

STATEMENT OF THE COMMISSIONER OF EDUCATION

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you today to discuss the fiscal year 1976 budget request for the Office of Education. I would like to begin with a brief overview of the considerations behind our request, move on to a summary of the details of our proposals, and then take any questions you may have.

The effort to prepare a budget proposal for Federal education programs has been more difficult this year than before because of the economic circumstances throughout the Nation. As we look at the fiscal situation and the need to reduce Federal expenditures we must necessarily give this consideration as we make our recommendations to you on expenditures for education. Thus our task has been less one of laying out the ambitious things we would like to do, and more one of painfully selecting the essential things which must be done.

This kind of discipline and restraint is not something we are accustomed to practicing with respect to Federal education programs. Despite the fact that education in our country is an overwhelming State and local responsibility—the Office of Education's contribution makes up only about 5 percent of the total—the actual dollar level support has nevertheless gone from $1.5 billion in fiscal year 1965 to $6.4 billion in fiscal year 1975. An increasing number of new Federal programs has been added over the past 10 years. Out of this constant growth in our responsibilities in the Office of Education we now have over 120 programs to administer.

I am proposing to you a fiscal year 1976 budget for Office of Education programs which totals $6 billion—the development of which has involved some hard choices. To do this in a rational and constructive way does not mean slicing everything by some constant percentage. It must rather involve a disciplined effort to focus our limited resources on the truly central and important educational needs of the country. We want to insure that Federal expenditures reflect a proper Federal role in the total education process.

With respect to the truly pressing educational problems facing our society, they are the ones I have cited before—to promote equal education opportunity from preschool through adult education and for all groups, to improve the quality and relevance of educational practice in general, and to bring education into closer touch with the world of work. The programs that relate to these problems command our priority. Many others are worthy areas of endeavor, but they are not of the overriding national importance that these problems are. The need to eliminate racial segregation from our schools and its deleterious effects on the education of our children also remains a major national problem. But with the elimination of de jure dual school systems now nearly complete, the remainder of the school segregation problem cannot, I believe, be eliminated through the kind of standard Federal education programs which the Office of Education oversees and for which this committee appropriates funds. It is a problem embedded in the occupational and housing pattern of our large cities, and will therefore have to be addressed by broader means.

If, then, these are indeed the problems which ought to preoccupy our attention and constitute our highest priorities, I think the Federal Government's efforts should be primarily concerned with things in these areas that it can do best. Primarily among these I would cite efforts to improve the capabilities of State and local education agencies. Thus, in the budget we are presenting to you and your committee, Mr. Chairman, the pattern of reductions and increases we are proposing attempt to reflect fiscal restraints and what I believe are the major educational priorities in our country today.

Now I would like to turn to the specifics of the fiscal year 1976 request.

ELEMENTARY AND SECONDARY EDUCATION

Our total request for elementary and secondary education in fiscal year 1976 is $2.7 billion. This is the first year in which our regular appropriations request for elementary and secondary education is largely on an advance-funded basis. We are requesting $2.2 billion under our advance funding authority for activities that will take place during the 1976-77 school year, as well as $0.5 billion for activities taking place in 1975-76.

About one-fifth of each year's entering group of kindergarten children arrive at school with severe educational deficiencies. The problems worsen as these children continue through school. In my judgment this is one of education's most severe problems, one that demands extensive Federal educational efforts.

The programs under title I of the Elementary and Secondary Education Act are designed to respond to this need. Each year these programs take the largest single bite out of the Federal education dollar and rightly so. This year, as we did last year, we are requesting an appropriation of $1.9 billion for title I. This is about 86 percent of our total request for elementary and secondary education.

Title I, however, is only one part of our overall effort to improve the education of disadvantaged children. In the long run the effectiveness of this effort—and of all our efforts to give our children a better education—must rest on better instruction, more effective materials, and more productive use of resources. The National Institute of Education has the main role in research and development activities, and I believe NIE's efforts will bear increasingly obvious fruit in improved products and practices. The title I request, by the way, includes $5 million for NIE research on compensatory education, as required in the provisions of Public Law 93-380.

For the rest, the Education Amendments of 1974 have given the Office of Education—or more properly allowed the Office of Education to share with others—two flexible consolidated programs. We are requesting $172.88 million for the support and innovation program and $137.33 million for the libraries and instructional resources programs. Both will be advance-funded, covering the 1976-77 school year. These programs will allow State and local education agencies to move with a minimum of redtape to shape innovative efforts to their own needs, so that we can accelerate our common effort to bring more educational improvements on-line in the classroom. Together, the advance funding provisions and the consolidations will give the State and local education agencies both the foreknowledge and the flexibility they need to put Federal dollars to their best use.

EDUCATION FOR THE HANDICAPPED

Our request for activities providing education for the handicapped is based upon the need to help the States to increase capacity to serve the handicapped in schools. This area, as we all know, has been one of the most neglected in American education. The States have been making progress in recent years.

But we still see a need for Federal assistance. There are not enough teachers, not enough materials, not enough expert diagnostic service. Our plan is to continue to concentrate on these needs.

The course we have taken in this budget is to keep a lid on the State grant program for the handicapped—the basic formula program that pays for services—and instead to put money into teacher training, research and development, materials development, demonstrations, and other programs that help build the structure. This is what capacity-building is all about—be it in handicapped, or bilingual, or vocational education—a conscious effort to develop State and local structures in order to get more value for the limited dollars we have to spend. Accordingly, we propose to shift the emphasis in this appropriation more strongly toward these discretionary programs. We are asking for a total of $125 million for these programs in 1976, up to $25.4 million from the fiscal year 1975 request and the same from the appropriation. At the same time we are requesting an advance-funded $50 million for the State grant appropriation, the same amount we requested last year. We continue to believe that the responsibility for providing basic educational services to handicapped children is a State and local responsibility and that the Federal Government should concentrate its resources on teacher training, curriculum materials, and other efforts to increase capacity to serve handicapped children in the States.

VOCATIONAL AND ADULT EDUCATION

In vocational education the administration will shortly be proposing new authorizing legislation to the Congress. Our budget therefore is proposed for later transmittal, contingent upon enactment of this legislation.

Without going into specifics, this new legislation will be based on the capacity-building approach. I want to make it clear that we are proposing to maintain vocational education funding at the revised 1975 budget level. We are, however, proposing significant redirections. We are asking for a total of $160 million for the discretionary capacity-building part of the vocational education appropriation, and $363 million for the State grant segment, excluding the $7.2-million-permanent appropriation. Under this proposal the capacity-building programs would increase by 78 percent, and the State grant program would fall by about 26 percent. We believe that this redirection is more closely in tune with the real needs in vocational education today and the proper role the Federal Government should play in it.

Our request for adult education is $67.5 million which is the amount appropriated last year. This appropriation is on an advance-funded basis, designed for use in the 1976–77 academic year.

Our education personnel request is for $45.7 million. The teacher corps request of $37.5 million is the same as in fiscal year 1975, but allows for a significant increase in new awards and a redirection in the program toward in-service education. We are also requesting $3 million for a new program, to improve Education Leadership in the schools by providing inservice training of school administration. I believe that the school principal is the key to carrying out many of the improvements we have been talking about in education for many years. This program will focus on bringing results-oriented management skills to the schoolhouse. Despite its small size I think this new program promises to be one of the most significant and far-reaching efforts in the budget. We hope to concentrate on improving the administration of title I schools by teaching principals better management practices, by teaching how to implement in title I schools those outstanding practices found in the most successful programs after 10 years of experience with title I. We believe that this small investment in training school principals will result in more effective use of $1.9 billion in educating disadvantaged children.

POSTSECONDARY EDUCATION

Our overall request for Postsecondary Education is for $2 billion. Here also we will be coming forward with comprehensive legislative proposals this session.

The request for fiscal year 1976 continues our emphasis on equalizing educational opportunity through comprehensive student-assistance programs. Student assistance makes up 90 percent of the postsecondary budget. We are again requesting increases in the basic grant program, to a total of $1 billion. The amount we are requesting will provide full entitlement grants to all four classes, for both full-time and part-time students. We are also asking for a doubling in the State student-incentive grant program, to $44 million, in order to attract more State and local money into student aid. We propose to pay for these increases by ending the supplemental grants program and eliminating new Federal capital contributions for direct loans. We believe that the latter program unnecessarily duplicates the guaranteed student-loan program.

Significant increases are also proposed for the guaranteed student-loan program. We are requesting $452 million for this activity plus an additional $201.8 million under the Student Loan-Insurance Fund. This program has been an essential element of the Federal student-aid package. It has enabled over 4 million students to attend postsecondary institutions, students who otherwise could not have afforded this schooling. But by its nature the Federal role in GSLP cannot hope to be risk-free. During the past year we have undertaken several steps to make this as efficient and effective a program as possible, such as tighter regulations, proposed legislative reforms, and improved collection efforts. The Federal Trade Commission is also proposing new regulations for proprietary schools. These efforts will help considerably in controlling the costs of defaults. I think that everyone concerned should recognize, however, that the costs of this program are likely to continue to rise for the next several years.

In addition to these student assistance programs, the postsecondary education account continues a number of other programs. We are again requesting $70.3 million for the special programs for the disadvantaged and $110 million for the developing institutions program. Each, in its own way, directly helps to improve the education of disadvantaged and minority students.

In a number of areas where the need is marginal or has already been met we are requesting reductions in fiscal year 1976.

SUMMARY

In summary, Mr. Chairman, the budget for Federal education programs which I am proposing to you and your committee for fiscal year 1976 is one which attempts to do several difficult things simultaneously. First, it is clearly a budget of restraint. Second, it is a budget of priority and modest reform. Given the severe fiscal restraints which we must acknowledge, and a recognition that education is essentially a State and local responsibility it is more important than ever before that we concentrate our limited Federal resources on programs that enable the States and localities to do the job effectively. Similarly, it is essential that we do the best we can to avoid spreading our limited resources too thinly and instead focus our limited dollars on the truly important education problems facing our Nation today.

My colleagues and I will be happy to answer any questions you may have.

SCHOOL FINANCE

Mr. Flood. Mr. Bell, in your statement, you refer to the current educational program which your office is most concerned about. I notice all the things you are talking about but you do not say anything about school finance. When we talk to these State and local educators, their No. 1 problem is how to raise money to finance the public school system. Why is not this matter of school finance on your current list of problems in education?

Dr. Bell. I consider school finance a very serious problem. I feel that one of the most serious aspects of the problem is the lack of good equalization programs passed by State legislators to provide equity. We still find the situation where the schoolchildren are dependent upon property tax and all the varieties of what taxable wealth might be found within a school district versus a neighboring school district. It is not uncommon to find as much as four to six times as much taxable wealth in one district than in another. You have touched upon a problem which I have not touched upon in my statement because it is a State and local problem.

Mr. Flood. I was wondering why you did not mention it.

Dr. Bell. I felt this was not germane to our appropriation, but I should say every time I get an opportunity, before Governors and other groups, I have constantly been emphasizing the need for equalization.

FEDERAL FUNDS FOR EDUCATION

Mr. Flood. What percentage of the total spending for elementary and secondary education is derived from Federal funds at the present time?

Dr. Bell. Approximately 8 percent, depending upon which year and how you calculate it; in particular, whether you include capital expenditures or not.

Mr. Flood. What is the trend in this matter of Federal financing? Is it increasing, decreasing, static, or what?

Dr. Bell. It has been decreasing because the Federal portion has not been going up as rapidly as the State and local portion, notwithstanding the fact that there have been some increases on the Federal level.

Mr. Flood. What would you say is the trend for, say, the next 5 years?

Dr. Bell. I would think the trend will continue in the direction it has been. I think because of the Federal budget problems, the prospect of increases in the next 4 or 5 years on the Federal level are quite dim.

Mr. Flood. If the economic situation was not as bad as it obviously is right now, would the 1976 budget for education be higher than the amount presently proposed?

Dr. Bell. I think it would be higher, Mr. Chairman.

Mr. Flood. How much, 5 percent, 25 percent, what?

Dr. Bell. Based upon just my view, I cannot speak for the administration, based on projections of where we are going, I would project our budget would be in excess of $7 billion, if we had continued in the trend.

Mr. Flood. The percentage?

Dr. Bell. I still feel the trend will not change very much. I say the relative percent.

Mr. Flood. It would be higher. How much higher, is what they would like to know?

Dr. Bell. I do not think the percentage would be higher, the gross amount would be higher. I think the percentage, notwithstanding that the total level of Federal aid is increasing, I think the percentage of total education costs covered by Federal funds is lower.

Mr. Miller. I think you are talking about two different percentages. I think you are asking what percentage increase we asked for. I think Dr. Bell is talking about the percentage of the total Federal budget.

I would think we would be guessing. We do not know the answer.

FEDERAL INTERFERENCE

Mr. Flood. If you increase the Federal spending in education, will that not change the Federal role? For example, the more Federal dollars you put in there, does that not mean more Federal interference with the school?

Dr. Bell. Not necessarily.

Mr. Flood. More money, more Federal interference, which is a harsh word.

Dr. BELL. I believe the answer to that question would be contingent upon what program we funded. Take, for example, the impact aid program.

Mr. FLOOD. You take it.

Dr. BELL. The way the program currently operates, Mr. Chairman, as the law is enacted, the money pretty much flows to the local education agency and they can spend it as they choose. That is quite different from a title I program where comparability regulations and many things are required by law, limiting the discretion of the local educational agencies.

Mr. FLOOD. The direct ratio, is there that great a degree of Federal interference?

Dr. BELL. I do not think so if we continue to fund our present programs. The same regulations are there whether you have $5 or $5,000.

EDUCATION AND EMPLOYMENT

Mr. FLOOD. Congress has been talking about a number of ways to deal with the rising unemployment in this depressed labor market. You mentioned in your earlier statement bringing education into closer association to the world of work.

What are some of the things you have in mind and where will we find this in the present education budget?

Mr. BELL. This year these programs are quite limited. This is an admittedly austere budget. But we do have our career education programs. We are encouraging more occupational type counseling so that, notwithstanding, we would try to do the best we can with the limited funds we have. Of course, I am sure, as the Chairman knows, the President gave a major speech on education at Ohio State University where he urged a closer working relationship between education and work.

TEXTBOOK CONTROVERSY

Mr. FLOOD. Let us switch the subject to something a little hotter, maybe.

Last fall when the schools opened there was quite an uproar about textbooks in the local schools. Parents were claiming they were anti-American, communistic and just plain filthy. Is the Federal Government directly or indirectly involved in textbooks used in public schools?

Dr. BELL. No; as a matter of fact, we are prohibited by law from interfering.

Mr. FLOOD. We should underline that one.

Do you think this protest over the textbooks is part of a much larger question as to the nature and purpose of education and how it operates?

Dr. BELL. Yes; I really believe it is, Mr. Chairman. Do you want me to elaborate on that?

Mr. FLOOD. Well, within reason.

Dr. BELL. I was invited to address the Textbook Publishers Association in New Jersey. I have never given a speech which generated more comment and controversy than that one. I was expressing my views and I emphasized that in the speech. I quoted the law which prohibits any participation by the Office of Education in determining the curriculum of local schools.

Mr. Flood. This is not generally known. That is why I asked you.

Dr. Bell. I indicated to this audience that I felt that textbooks published for general adoption which is required reading of all the children in the schools, ought to be books which do not insult the values of large segments of the parent population and that we ought to strike a good ground between that and permitting an elective reading list, a wide variation as to what children might read. But in a compulsory attendance law and in a required course with a prescribed textbook, if you have a certain amount of blood and guts and street language in the book, it can generate some controversy in some homes where they may have a different moral and ethical base than in another home. I think we ought to respect these values in both types of homes and permit as much option as we can in what is read. I think we ought not to impose upon the parents and the children, certain books which in one person's opinion may be perfectly all right to read and in another person's opinion, may be offensive because of the kind of street language that is in the book.

I do not favor censorship. I favor open election in literature courses, for example. There would be a required list which would have certain books on it.

Mr. Flood. How far down in the elementary grades would you go on that?

Dr. Bell. As far as optional reading is concerned, I would consider a considerable amount of option all the way down.

Mr. Flood. We are concerned primarily about all this protest as to textbooks. Is it not the larger question really what is the nature and purpose of education?

Dr. Bell. Yes.

Mr. Flood. Would you comment on that?

[The following was submitted:]

NATURE AND PURPOSE OF EDUCATION

What is the nature and purpose of education and how does it work? It is said that at one time, at least, a European education official could simply look at the clock on his wall and know exactly what was being studied not only by every student in his school but every student in his nation. A national educational authority dictated every course, every textbook, every minute of the school day.

DIVERSITY

We do not really have a public educational "system" in the United States. We have 17,000 of them, operated by local boards of education. Private and parochial schools also have a generous measure of autonomy in shaping their educational practices. In consequence, our schools differ widely on such matters as selection and sequence of courses, teacher qualifications and level of performance. A high school student whose family moves from New England to the Southwest may find that he cannot continue his study of French because his new school restricts him to Latin or Spanish. The fifth grader from Atlanta, Ga., may be far ahead of a fifth grader from Galena, Ill., in mathematics, and far behind a fifth grader from Tacoma, Wash., in general science.

Both the good and bad aspects of this diversity flow from the American conviction that schooling should be kept close to the people, to the local community, rather than being entrusted to a central educational authority in Washington. This conviction is reflected in each of the 50 States, where the responsibility for administering the schools has been entrusted to the State government, and in turn, to the localities.

CLOSE RESEMBLANCE

In view of this American belief that every locality should run its own schools, the most remarkable characteristic of American education is that our schools and colleges so closely resemble each other. Instead of chaotic and arbitrary difference, we have for the most part a genuine and productive diversity; every State may have its bad schools, but every State has its outstanding schools, and for 200 years these schools have been turning out informed, intellectually curious citizens capable of maintaining that lofty rumpus of political, social, economic, and intellectual debate which refreshes our democratic institutions. The United States remains young because some of its citizens share enough common principles, attitudes, and hopes to balance the claims of past experience against the promises of future experiment and agree on a course for today. As our national motto states, out of many peoples, we have forged one people.

Perhaps the most basic reason for our success in developing unity without succumbling to uniformity is the American public school, controlled and maintained by many for the benefit of all.

COLONY EDUCATION

But it was more than 100 years before the colonists really began to comply with these laws. In general, the educational institutions of the New World resembled those of the Old in that they perpetuated distinctions of social and economic class. The Puritans, for example, established Latin grammer schools for the upper classes and apprentice programs for the lower. Their feeling that the loftier forms of learning ought to be restricted to the children of the fortunate was echoed in 1670 by Governor Berkeley of Virginia: "I thank God there are no free schools, and I hope we shall not have them these hundred years; for learning has brought disobedience and hersey and sects into the world."

NEW TRENDS

School programs today are radically different from what they used to be. The old exclusiveness and narrowly classical emphasis of the upper schools has given way to a new curriculum designed to prepare students for the world of work and the business of living. The American comprehensive high school, encompassing both liberal and vocational, college preparatory and terminal programs has evolved.

EDUCATIONAL LEGISLATION

The Federal Government, which had not produced a major piece of educational legislation since the Morrill Land Grant Act of the Civil War period, passed the Smith-Hughes Act in 1917. This act gave the States funds to establish vocational education programs for high school youngsters, and to train teachers and buy equipment for the broader new curriculum.

GOVERNMENT INVOLVEMENT

In the 1920's the United States underwent major economic and social changes. After having sustained its worst war to date, the Nation was now undergoing a catastrophic depression. "The crash" and the social havoc that followed seemed to generate a national social conscience. Minority groups—blacks, Mexican-Americans, Indians, orientals—who had in the past been largely ignored by public educational institutions were brought under the blanket of universal public education. Hundreds of special schools were established to care for children who were blind, deaf, or mentally defective. Prisons began to offer educational programs, child labor laws were enacted, and the Federal Government began to send surplus food for school lunches into the hardest hit States.

DRAFT TEST RESULTS

Just as the United States began to struggle out of the worst depression in its history, the Nation entered its second major international conflict. The astonishingly high draft rejection rate for illiteracy proved—to our dismay and surprise—that making a high school education available to all did not mean that all would or could take advantage of it. The draft tests showed, too, that a high school diploma was no guarantee of intellectual attainment or academic achievement; young men from some regions of the country scored consistently higher on military entrance examinations than did draftees from other regions. And the draft results indicated that American education—less a consistent set of policies and practices than a patchwork of educational institutions trying to compensate for the inadequacies of home life, neighborhood, or other schools—produced human results ranging from the brilliant to the bored to the abysmal.

MOBILITY

Further, increasing mobility of Americans after World War II made the disparities in educational quality a national problem. By 1960, fully one of every five families changed its place of residence each year. Though most people moved only a short distance—within a county—a growing number of the moves represented important relocations for the family and for society: the dropout from Peoria might become the military reject in New York City, the illiterate from Boston a welfare burden in Los Angeles. Increasingly sophisticated thinking about such problems led most States to require more years of education, to broaden curricula, and to set up tougher standards for teacher certification.

STUDENT INCREASES

Yet, it was difficult to maintain high standards in the face of the postwar "baby boom." At the very time that educators were seeking to emphasize quality of schooling, they were forced to provide schooling in more quantity than ever before. Shortages of teachers and of classroom space plagued local boards of education at the same moment that the general public was harassing school officials with demands that they explain why Johnny can't read. Moreover, colleges and universities found the GI bill a mixed blessing: it showered them with billions of dollars in unexpected tuition fees at the same time that the influx of veterans required expansions of staff and facilities.

This tension between quality and quantity significantly altered American education because—along with two other developments—it sharply increased the Federal Government's influence in education. The other two developments were the national alarm caused by the Russians' orbiting of sputnik and the sudden transformation of American blacks from docility into a vocal, militant group demanding the justice that had been promised them for 100 years (since the Emancipation Proclamation) but denied them by a comfortable white majority committed to the status quo.

EFFECT OF SPUTNIK

Sputnik frightened Americans; after two decades of being convinced that the United States led the world in technological achievement, they were shaken by the prospect that the Soviet Union had passed the United States in space exploration, an area of endeavor we had staked out as our own. The resulting hue and cry produced the National Defense Education Act of 1958, which was designed initially to improve the teaching of science and mathematics in our schools and colleges, as well as to increase the number of graduates in the technological disciplines.

CIVIL RIGHTS

Selma—at this point more a symbol of the civil rights movement than the name of a single town—directed the attention of the Nation to the inferior status of American blacks, and to the inferior education that helped keep them at the bottom of the national ladder. For the first time, Americans were forced to realize that it would take more than the stroke of Abraham Lincoln's pen to strike from American blacks the shackles that bound them to poverty of purse and spirit.

MORE LEGISLATION

Since 1963, Congress has enacted more education legislation than in all the preceding 97 years. These laws, ranging in scope from the Eelementary and Secondary Education Act of 1965 to the Higher Education Act of the same year, touch every aspect of education from preschool to postgraduate. They span the sociological distance between the bread-and-butter welfare projects of the 1930's to Project Head Start of the 1960's.

CURRENT DIFFICULTIES

But, in this seventh decade of the 20th century, the American school is still trying to bridge the gulf between the intellectual elite and the functional illiterate. The schoolhouses of the Nation still range from the most modern complexes to the most dilapidated ones. Education, which brought us into the atomic age, has yet to rescue some of our citizens from near-medieval helplessness in the face of a world which they neither made nor understand. For too many of our children, Batman—the pop-art farce of the decade—remains the most accessible cultural experience.

Still, we have made much progress: The average American today has completed 12 years of school; one generation ago, the average was 8 years. Enrollments beyond high school have more than tripled in the years since World War II—due in large part to the expansion of programs in junior colleges, State universities, and technical institutions and to the increase in scholarship aid available to students. In 1946 about one of five Americans aged 18 to 21 continued his education after high school; today approximately one of every two does. Additionally, millions of adults attend classes of one sort or another, so the expression "cradle to the grave" more accurately describes an eduactional phenomenon than an economic concept.

THE FUTURE

What forces will shape the American school and college in the decades to come, and how will those institutions of tomorrow differ from those of today? Of the many problems that confront American education, many observers feel two are paramount: School desegregation and the disparities in educational quality from area to area. To these problems—legacies of old injustice and old apathy—has added a new phenomenon: The use of technology for educational purposes. It is likely that these three forces, in combination with the steady change of the society which both molds the schools and is altered by them, will affect education for many years.

DIFFICULTIES

The nature of the difficulties inherent in desegregating the schools is readily understood by most Americans. In the South, the problem is mainly one of tradition and attitude. In the North, the fears and hostilities which some whites share with some Southern whites are complicated by the fact that school segregation is woven in with segregated housing. Majority and minority citizens in the North tend to live in different parts of the community. Hence, desegregating schools outside the South is as much a problem of civic geography as it is of civic attitude.

"Disparities in educational quality," the second major concern, means simply that schools in some States are, on the average, vastly superior to schools in other States. It also means that, for example, some schools in New York State or Oregon are markedly inferior to other schools in New York State or Oregon. This situation stems largely from the American tradition that the residents of a community should control their own schools. If the community prospers, if unemployment there remains low and most of its citizens earn a good living year after year, the schools will in all likelihood be good schools with good teachers who receive better-than-average salaries. But if recession hits the community, if industry moves out and leaves homeowners to carry the bulk of the tax load, or if the citizens simply refuse to levy enough taxes to support their schools, educational quality there will decline. And what this means, in turn, is that the quality of an American youngster's education today depends in large part on the place of his birth. Nor does this matter of geography necessarily involve race; a black boy born in a Northern suburb often has a better chance for a good education than a white boy born in the city ghetto only 20 miles away.

As for the new phenomenon of using technology for educational purposes, it is premature to speak of an "alliance" between education and technology, for relatively few schools and colleges have begun to utilize the technological concepts and products whose value has been demonstrated in industry, space exploration, and national defense. Yet it appears probable that computerized instruction, teaching machines of various sorts, increasingly sophisticated communications systems, and other forms of technology will alter the school more in the next century than it has changed in the last 2,000 years. Most fundamentally, the impact of technology, the staggering increases in the amount of what we know, and the necessity for international cooperation on a shrinking globe will lead to a reexamination of educational philosophy—to a more precise definition of what schooling is supposed to do—that will far exceed in scope and importance any alteration in the outward appearance and organization of schools.

There appear to be significant possibilities, however, of hastening the emergence of a sizable black middle class. Current evidence indicates that American schools, far from narrowing the gap in academic achievement between black and white students, actually increase it. Bolstering education in poverty areas to release human talents now ignored or frustrated and thus fit young blacks for more desirable employment may produce an effective tool for ending racial discrimination: economic power.

STATE RESPONSIBILITY

The next 30 years are also likely to be marked by a resurgence of the States in the management of education and by closer cooperation between the State legislatures and departments of education. Strengthened by additional personnel resources, staffs engaged in school operation at the State and local level can more competently judge educational assets and needs, and tailor programs to fit them. At the same time, there will be increasing emphasis on regional enterprises to meet regionwide problems.

While the Federal Government has drawn some criticism since the 1930's for its increasingly vigorous moves into public welfare, it seems also to have brought about in the majority of Americans an agreement that welfare is a legitimate and necessary concern of government at every local level—that it cannot wholly be left to private charity or good luck. The States will quite probably take advantage of this public mandate to enlarge the scope of their operations rather than losing the initiative by default.

FEDERAL EXPANSION

Yet there is no short-term cure for the economic inequities between the various States. Highly industrialized States will continue to enjoy proportionately more income than States heavily dependent on agriculture; some States will always have proportionately more tax money to allocate to public purposes than others. As long as money helps determine quality of education, the Federal role in financing American education will probably expand.

QUESTIONS TO BE ANSWERED

The increasing use of technology in the schools will call upon educators to answer many questions at present left unexamined or inadequately explored. What is the nature of the learning process? How, precisely, does one human teach another? What functions can a machine perform better than a human? How do we organize schools and classrooms to make it possible for every student to learn at his own pace?

More basically, we may come even to question the notion of the school as a physical place. Do we need buildings devoted to education alone, or can a student learn as well in his own home, provided he has the proper learning equipment?

Every nation has used its schools mainly to transmit the heritage of the past. Such a process is valid and useful when the pace of change between generations and centuries is slow, but it must be questioned in our time, when the information that a student acquires in undergraduate physics may be obsolete by the time he finishes his master's degree—or when the job that a vocational student trained for in 1980 no longer exists in 1985. From certain points of view, our world has changed much more since 1940 than it did from the time of Caesar to that of Napoleon. To fit his students for useful life in a world neither of them can adequately envision, the educator—in cooperation with a host of specialists of every description—must produce reasonably accurate maps of a country he has never seen, and may never inhabit.

SUMMARY

In short, the goal of education is to prepare a person to lead a full and purposeful life. The student needs to learn not only the basic skills of computing and reading but also how to analyze, solve problems, and weigh alternatives.

The student also needs to learn how to be a good citizen, how to use his spare time pleasurably and how to foster his own physical and mental health. He needs to learn about mankind's past accomplishments, the commonalities as well as the differences between various cultures, races, and nations, and the fact that for others to have beliefs different from one's own is not necessarily a reason for hostility toward them.

Dr. BELL. If it will not be too presumptuous, I would like to provide my address for the record.

[The address follows:]

SCHOOLS, PARENTS, AND TEXTBOOKS[1]

(By T. H. Bell, U.S. Commissioner of Education)

As I look around and see how many publishing houses are represented here today, I feel somewhat like Dorothy and her friends confronting the Wizard. Remember that vast hall, those flashing lights, the booming voice, all those symbols of absolute and spine-tingling authority?

I could be similarly intimidated by this audience, because you are the wizards, the power structure of the children's trade and textbook industry. The member companies of AAP's school division produce more than 80 percent of all instructional materials used in the Nation's schools, and other AAP divisions increase the total to 90 percent or more.

But I am not intimidated by all this because, first, I know that you are accomplished professionals doing your best to give educators the materials they need and want; and, second, I know that after a few scary passages Dorothy and her friends came out all right.

You have a tremendous job to do, and you do it very well. To turn a profit, even to stay in business, you have to sell enough school officials in 50 States and some 17,000 school districts on the quality and relevance of your products. That alone requires you to keep up with changes in teaching methods, subject matter, and social attitudes, not to mention changes necessitated by legislation on civil rights, women's rights, and other matters by Congress and the State legislatures and by court decisions.

Yet I believe you have a responsibility above and beyond your responsibility to your stockholders to produce books, films, and other materials that schools will buy. This larger responsibility is to parents and students and communities. It has to do with the school as an institution that must be responsive to the community that supports it. It has to do with the wishes of parents who entrust the education of impressionable young children to teachers they scarcely know, or don't know at all, whose values may differ somewhat from their own. It has to do with the subjects you select for books and other materials and how these subjects are handled.

The "Wizard of Oz," corny as it may seem to TV-oriented young people today, has always struck me as about the right combination of suspense, which naturally appeals to children, and the happy ending that takes the edge off the spooky parts. This children's classic is a far cry from some of the current juvenile literature that appears to emphasize violence—and obscenity—and moral judgments that run counter to tradition—all in the name of keeping up with the real world.

What is really taught in a story about a boy who drowns a favorite family cat to make his parents love him more? What is really conveyed to children when they are asked to debate the pros and cons of stealing, the implication being that sometimes it is all right to steal? To be relevant do high schools really need to offer a story about a $100 whore? Assuming that there are great concepts to be taught in the stories about prostitutes, stealing, and drowning cats, do we need to dwell so much on the sordid details?

In recent weeks such books and films have provoked literally violent reactions from parents. Certainly I deplore this violence. It is no solution. But there are fundamental issues involved. I would like to comment on some of these issues and talk about the content and selection of instructional materials and about where I think the responsibilities of publishers and educators and parents begin and end.

I think we all need to go back to the basic question: What is the purpose of the American education system and how can instructional materials be used more effectively to fulfill that purpose?

There are the obvious and immediate answers. Clearly, a primary function of education is to give children and young people the skills—from the three R's on up—to function in a complex, highly technical society. Beyond that is the need to broaden their intellectual horizons and enhance their problem-solving abilities.

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[1] Prepared for meeting of School Division, Association of American Publishers, Cherry Hill, N.J., Dec. 2, 1974, 12:30 p.m.

But America has always asked more of its schools and colleges. Many of you remember the children's books written by Abraham Rosenbach in the 1930's. Dr. Rosenbach made a profound observation about juvenile literature. He said that subjects dealt with in children's books, more than in any other class of literature, reflect the attitudes of the generation that produces the books. By implication, these attitudes cover the range of social concerns—politics, religion, ethics, race relations, boy-girl relations, work, family, country, and individual goals and aspirations. School books, in other words, are a distillation of the values and attitudes that one generation wants to pass on to the next.

With the Nation's Bicentennial approaching, we are increasingly conscious of our heritage and our beginnings, and in historical perspective I think Dr. Rosenbach's theory holds up well.

Children in the Massachusetts Bay Colony were taught to read in order to read the Bible and further their religious education. Writing and arithmetic had much lower orders of priority. This conscious decision by parents was undoubtedly based on strong conviction—increased, no doubt, by the hardships the colonists were enduring to give their children a new start in a new land.

Similarly, McGuffey's famous readers stressed the values that Americans in the late 1800's wanted to instill in their children—patriotism, integrity, honesty, industry, temperance, courage, and politeness. These readers sold 120 million copies. While McGuffey's selections from great literature would seem stilted by today's standards, there was certainly nothing wrong with the values they taught. We could use more emphasis on some of those values today.

I do not mean to imply that parents today expect the same things from the education system that parents did in colonial America or the Victorian period. Actually, they expect far more. Parents are better educated, more widely traveled, and—thanks largely to television—more aware of the world than parents of any previous generation. So are students. Publishers must be aware of this sophistication. At the same time, they must recognize that we have compulsory attendance laws and that children are the captive audience of the schools. Parents have a right to expect that the schools, in their teaching approaches and selection of instructional materials, will support the values and standards that their children are taught at home. And if the schools cannot support those values they must at least avoid deliberate destruction of them.

One of the real problems in the production and selection of instructional materials is that parents and communities differ so widely in what they consider appropriate. We are probably the world's most polyglot nation, with many subcultures increasingly interested in maintaining or reestablishing their identity in the larger society. We come from many socioeconomic backgrounds. We have many divergent religious viewpoints. Our positions on politics and education and other things that matter run the gamut from ultraconservative to ultraliberal.

Your companies are doing a fine job in responding to the needs of these various subcultures and communities. You are beginning to offer materials that reflect the rich cultural heritage and values of our native American, Spanish speaking, and other minority populations. You are also beginning to get a handle on the sex stereotype problem, getting the girls out of the kitchen and the boys out of the treehouse—or at least letting the girls join them.

Certainly, these new materials need to include an introduction to the problems and pitfalls that children are likely to encounter as they grow up. Learning about the adult world is fundamental to the learning process itself. Surely this can be done without resorting to explicit violence, or explicit sex, or four-letter words. Most of the mass media are still pretty careful, rightly I think, about controlling the use of obscene language in TV and radio programing and in printed materials that reach into millions of American homes. (There are some exceptions, of course.) And I am happy to see that violence on television is not quite so gory as it used to be.

True, some people say that children are still exposed to more violence on television in a single evening than they are likely to encounter at school in a whole term. This may be true, but it is not the issue. What children are exposed to in the home is totally the responsibility of their parents. Parental judgments may vary a great deal, and what children are allowed to watch on TV will reflect these judgments. But when parents send their children to school they delegate some of this authority to school administrators and teachers. These professionals should in turn respect the broad spectrum of parental attitudes represented by the children in their classrooms.

CO

Let me turn now to the question of academic freedom and the implied threat of academic censorship that some people may read into what I have said.

I recognize that much of the world's great literature is full of violent scenes and situations. As a teenager, I shuddered as I read the closing pages of A Tale of Two Cities "* * * Madame Defarge knitting as the tumbrills rolled up to the guillotine."

It was high drama. Madame symbolized the reign of terror. But overriding her glee at the fall of the French aristocracy was the nobility of the sacrifice being made by Sydney Carton as he mounted the scaffold. Violence served as the vehicle to say some powerful things about love and honor and trust and responsibility. There are basic human values, and they are the forces that make great books great. I am not sure they are present to the extent they should be in some of the current literature purchased by schools for classroom and library use.

As scholars prepare new textbooks and other materials, as you publish them and schools select them, I hope everyone involved will keep in mind the idea behind an anecdote I heard the other day.

Following some dispute or other, Johnny poked his classmate Robert in the nose. Naturally, the teacher chastised Johnny for this action, and Johnny replied: "It's a free country. I know my rights."

"Well, yes," the teacher said, "you have rights, the same rights your classmates have and every American has. But your rights end where Robert's nose begins."

I think this little story says some important things. In writing textbooks and other materials for school use, sholars do have the right, indeed the obligation, to present new knowledge and to comment on social changes in ways that will stimulate and motivate students, excite their curiosity, and make them want to learn. Teachers have both the right and obligation to use these materials in ways that will enhance the learning program. Indeed, teachers are getting to be very creative in developing supplementary materials to illustrate and expand on textbook themes, and this creativity should be encouraged.

But I feel strongly that the scholar's freedom of choice and the teacher's freedom of choice must have the approval and support of most parents. I do not suggest that we seek to win approval of all parents, for that would not be attainable—but schools without parental support and approval are headed for failure. Without having books and materials that are so namby-pamby they avoid all controversy, we must seek published materials that do not insult the values of most parents. Where there is basic conflict, no one really wins, and children suffer. However, parents have the ultimate responsibility for the upbringing of their children, and their desires should take precedence. The school's authority ends where it infringes on this parental right.

I say these things knowing that parents, being human, can also be dead wrong, at least in the opinion of some educators and other members of society. I know that parents can have religious convictions or moral convictions that differ from those of the school people. And every society has at least a few holdouts against legal and established institutions. Nevertheless, of whatever ethnic background or philosophical persuasion, most parents are responsible arbiters of their children's best interests. We must pay more attention to their values and seek their advice more frequently.

So I think the children's book publishing industry, and the schools, need to chart a middle course between the scholar's legitimate claim to academic freedom in presenting new knowledge and social commentary on the one hand, and the legitimate expectations of parents that schools will respect their moral and ethical values on the other.

Fortunately, some of the newer instructional approaches will help to dehorn the dilemma in time. Certainly, wider use of individualized instruction for each child will give his or her parents the opportunity to rule out an objectionable book or film without affecting other children.

What the present controversy comes down to, I believe, is a growing concern on the part of parents that they have lost control over their children's education and therefore over their children's future.

You can do much to restore that confidencce. We need instructional programs, for instance, that teach the principles of modern mathematics but also show pupils how to add and subtract. Parents are uptight about this one. We need programs that incorporate the career education concept into academic studies so that young people will know where they are heading when they leave school or college for the world of work. We need good literature that will appeal to children without relying too much on blood and guts and street language for their own sake. We need films and other materials that are realistic about the world we live in yet make young people want to be a part of it.

For impressionable young minds, it is easy to document and decry the world's evils. It is more difficult to end on an upbeat note that gives youngsters something to hang on to. Young people need faith and hope and confidence in the future. They need a yellow brick road. And I don't see much wrong with a rainbow either.

FEDERAL SHARE TO HIGHER EDUCATION

Mr. FLOOD. How about higher education? The Federal share on higher education is relatively greater, is it not?

Dr. BELL. Yes.

Mr. FLOOD. What is it at the present time?

Dr. BELL. The Federal share, if we included research grants, would range somewhere between 12 and 16 percent, depending upon the grants made and the recipients who receive the grants for research.

I have a statement of the actual amount here, Mr. Chairman, if you want it for the record.

Mr. FLOOD. Yes, I would.

[The statement follows:]

For academic year 1973–74, the most recent year for which we have data, the Federal Government provided $5 billion for higher education, approximately 14.4 percent of the total expenditure of $34.7 billion.

PRIVATE COLLEGE DEFICITS

Mr. FLOOD. Private colleges are in worse shape than public. Quite a few are closed; others are facing huge deficits. Outside of a massive aid program, I do not see how the Federal Government can help these colleges, do you?

Dr. BELL. No. I worry about that. I have met with administrators of these colleges and they are a very important segment of our educational society. It would be a tragedy for them to close down but it would take a huge appropriation to meet their deficits.

Mr. FLOOD. Pretty soon, I hope we will be going into detail on the higher education budget. But we understand the higher education group is saying the budget is $900 million short of meeting the needs of the existing programs. Do you agree the existing higher education programs have been cut by $900 million and if not, what is the correct figure?

Dr. BELL. I will not say they have been cut by that amount. If we looked at the amount needed to fully fund our higher education programs, I would say that it might take that amount of money. For example, our proposed budget shifts money from certain campus-based programs in order to get enough revenue without raising the total to fully fund the basic grant and guaranteed loan program. In doing that we have cut out some program areas and we have decreased the college work-study program to generate money to put into other areas. This is the source of their concern as they have expressed it to me.

BUDGET REQUEST REDUCTIONS

Mr. FLOOD. All through this education budget we find reductions in these programs. You can be sure we will examine your proposals on that pretty carefully, but frankly, many of these seem to be the same ones which have been proposed before. Why wouldn't it make more sense to direct your efforts to improving these Federal programs instead of terminating them? If you think they are ineffective why do you not try to improve them? That is one of the basic tenets of education.

Dr. BELL. We do not feel these programsa re ineffective, Mr. Chairman. I think it is the position of the administration, operating within the limit of the number of dollars which the administration feels it can make available, that the campus-based programs are not as critical as other programs.

RESCISSIONS

Mr. FLOOD. These rescissions proposed by the the President in his January message included about $290 million in education. I think it is fair to say. I do not think the inflections of my voice appear in the record but I think it is fair to say, these will not be approved by the Congress. The 1976 budget assumes the rescissions will be approved.

Can you give me some idea as to the plans for obligating the $290 million? Are you planning to wait until June to obligate them?

Dr. BELL. No, sir. We have talked about there being some possibility of the proposed rescission being accepted. In my office we have talked about how we can move forward the rest of the fiscal year and obligate the funds. We have plans to proceed accordingly. I might say, Mr. Chairman, with the new education amendments we are going to be hard pressed notwithstanding the rescissions, to get the regulations adopted and in place prior to the time the regulations are effective. That is going to be a problem we will wrestle with, but we think we can handle it.

I have a note from Dr. Evans reminding me we will start spending on March 17 the funds which relate to the rescission.

Mr. MILLER. And, Mr. Chairman, we have sent apportionments to OMB to enable us to release the funds on March 17. The machinery has remained in place; the applications from potential award recipients have been coming in and we have been reviewing them.

REVISION OF 1976 BUDGET MATERIALS

Mr. FLOOD. I want you to revise the schedules and all that tabular material in your budget justifications to reflect the 1975 appropriations without the rescissions. You will not have time to change the script, you will not have time to change the narrative, but you should change all the costs and the workload tables in the justifications.

Dr. BELL. That will make our decreases look large, Mr. Chairman.

Mr. FLOOD. Mr. Natcher.

Mr. NATCHER. No questions.

Mr. FLOOD. Mr. Obey.

Mr. OBEY. Let me ask a couple of general questions about title I.

EFFECTIVENESS OF TITLE I

What is your personal opinion as far as effectiveness? Are there specific gains, or is this really just a way to support local school districts?

Dr. BELL. I think that we haven't had the dramatic results that I think we had hoped for when title I was enacted, but I think that we are making substantial progress in educating the children of the disadvantaged. This is the toughest educational problem that one can address, and I think part of the reason that we don't show as much progress as we should—and this is just an opinion, Mr. Obey—is that I think the home influence continues to decline a bit and the incidence of broken homes and the factors on that level have an impact.

I might point out, if I may, that in the budget recommendations that we have presented to you there is a recommendation for $3 million to train principals of title I schools, and we propose to select the most outstanding title I projects that we can find in the United States after this 10 years of experience and try to teach groups of educational leaders the how, and what works. This will be part of the short 2-week intensive seminar type programs for principals to improve further the effectiveness of the title I program.

But if it were not for title I, I think that our achievement would even be more discouraging than it is now. We find enough examples of outstanding projects that we feel as we continue this program that we are going to get to be even better as time goes on. It is interesting to note that most of the successful title I projects have a strong parent involvement component in them, which I think tells us that we need to involve the home in the game of education even more extensively than we have.

I don't know how responsive I have been to that question.

TITLE I EVALUATION

Mr. OBEY. My point is we sit here and appropriate money for title I; we defend it sometimes almost on blind faith, but is there anything specific that we can point to? Are there any measurable areas that you can point to to show that the expenditure of that money has been worthwhile?

Dr. BELL. Dr. John Evans is in charge of planning and evaluation, and I will call on him to respond to that question, specifically.

Dr. EVANS. There are basically two streams of material or data that bear on the question you have just asked, which is the evaluation of the effectiveness of title I. One is the evaluation activities the States are required to carry out under title I, and the other is a national evaluation of title I being carried out by the Office of Education.

In the first case, I think it is fair to say, recapping the Commissioner's answer, that there is ground for considerable disappointment in what we saw by way of both the distribution and use of title I funds in the early years, and the lack of much indication of effectiveness in truly remediating the educational deficits of disadvantaged children. We have made fairly critical analyses ourselves of the evaluations that States have carried out under the requirement in the law, and, for the most part, they have not borne well on the issue or been particularly useful.

However, in recent years there seems to be an improvement in the quality and relevance of some of the State evaluation material. We recently completed an analysis which suggests tentatively that there are now appearing in quite a number of States some fairly strong quantitative evidence of cognitive gains of title I children. We will be presenting that evidence in publication soon, but there is an encouraging indication that has come from the State evaluation reports along those lines.

We have a major national evaluation of the title I program we have designed and initiated in the Office of Education, the results of which should be available in a few months. That was based upon a sample of title I projects with the administration of achievement tests to those children.

Mr. OBEY. I can recall 2 years ago being told by administration witnesses that there really was very little to indicate that title I had done much good. Now you are saying there is increasing evidence it does do good, but I don't see that necessarily reflected in the budget amounts which you ask us to approve. How do you account for that, other than just general budgetary restraints?

Dr. BELL. I think that would be the answer to that. I might ask Mr. Wheeler, who is responsible for title I, to comment further on achievement, if you care to spend a few more moments on it.

Mr. OBEY. You say you have seen changes in evaluation in recent years vis-a-vis earlier years. What changes have you had in the way the local districts have used their title I money over the last 5 years which you think are most important?

Dr. EVANS. I think the major change, Mr. Obey, is the change from what was a very broad understanding or perhaps misunderstanding on the part of many educational agencies throughout the country at the outset of title I, that it was money which could be properly, appropriately, and legitimately, used for general aid, and some of the investigations and audits carried on in the early years indicate an unfortunate amount of the title I money did not directly focus on the problems of truly disadvantaged children but was used for general school building support and things of that sort.

What has happened in recent years, largely, I think, as a result of certain Federal actions and certain program changes that Mr. Wheeler can speak to, and is, in fact, somewhat responsible for, is that the pressure has been put upon the proper interpretation of the law and that a larger number of school districts and schools have begun to focus the title I money much more sharply upon activities that are aimed at the educational deficits of disadvantaged children.

In addition, there has been a much more earnest search on the part of educators throughout the country for programs or program models that would, in fact, be effective in this area. We in the Office of Education have made modest contribution to that which we can talk about later on in this testimony.

IMAGINATIVE OR INNOVATIVE USE OF TITLE I FUNDS

Mr. OBEY. Say, 5 years ago, what percentage of school districts do you think were using their title I money in an imaginative or innovative way?

Dr. BELL. Mr. Wheeler, the Deputy Commissioner for School Systems.

Mr. WHEELER. In direct answer to that question, I don't know that we have the exact percentage of school districts that were using the title I resources in imaginative or innovative ways. Most school districts, when they accepted the title I funds, did begin to look at ways to meet the specific educational needs of children classified as disadvantaged.

You have to remember, though, that we now know more about what the specific educational needs are, and we are better equipped to respond to those needs now than we were 5 years ago.

Let me say that I can understand your concern. This is the largest single appropriation for an educational program, and the question that you asked, "Is the money doing any good?" is justifiable.

To begin with, I think even though the amount of money is very large, nevertheless that money addresses a very, very large need, a need which has been historic in education. When we turned our attention to this particular kind of educational need, the educational community did not have at its fingertips all the methods which would produce the desired results.

It is safe to say we have come a long way toward understanding that need both in the administration of the program since 1965 and also in being able to encourage school districts to focus more clearly on the solution to this particular educational problem.

For instance, the eligibility regulations in 1965 were very broad, and, because of this broadness of the regulations, the educators tended to spend this money in all sorts of directions excluding a very low per pupil expenditure. Substantial funds were used for ancillary programs like giving kids medical examinations, et cetera, since it was thought these kinds of conditions were barriers to their learning properly.

You will see, if you trace this pattern, that we have decreased the number of children who are being served so that there is a higher per pupil expenditure in title I.

We think this administrative adjustment is showing encouraging results with respect to the fundamental goal we have, which is to advance the achievement of these children.

The other point I would like to make is that when we have to express whether or not the title I program has been a success, it is usually through the research vehicle, which means we have to quantify the magnitude of advancement or decline. We are dealing with a very large population here, and we would suspect that there was an underestimation at the beginning as to how soon these problems could be solved. I think that we are now beginning an era where we are going to see more rapid acceleration of solutions to the problems of the disadvantaged than we have seen in prior years.

EXEMPLARY TITLE I PROJECTS

Mr. **Obey**. Let me go back to the original question. Isn't there anything you can point to—changes in reading achievement or changes in ability to communicate in writing—which would indicate to us some concrete payoff?

Mr. **Wheeler**. We can furnish you with a list of highly successful title I programs which have been scrutinized systematically and very carefully. That is different from saying the total title I effort follows that pattern, but there are, as the Commissioner said earlier, enough instances where we know the title I effort can be successful with the proper administration of the program.

[The information follows:]

Evidence of the effectiveness of title I projects may be found among selected local projects. Though the results of these projects do not provide evidence of the overall effectiveness of title I at the national level, they do provide insight into the nature of the programs which have proven truly exemplary. In particular, five title I projects which have been subjected to rather stringent standards of effectiveness, have been "packaged" by OE for eventual wide-scale dissemination. For illustrative purposes, one of these title I projects—intensive reading instructional teams (IRIT)—is described in detail below. Short descriptions of the other four projects follow.

The IRIT project has as its objectives: (1) to achieve month-for-month reading gains for 75 percent of its participants, (2) to increase student's independent reading, (3) to have students master oral reading with reasonable fluency and to answer comprehensive questions at this level, and (4) to have students show gains in vocabulary development. The IRIT program originated in Hartford, Conn., in 1965 and is still operating there. There are three IRIT centers which mainly serve third graders, although some second and fourth graders are included. In this community of 46 percent blacks, 38 percent Anglos, and 16 percent Puerto Ricans, none of the families earn more than $4,000 a year and 70 percent qualify for State and city financial aid.

The IRIT program is divided into three 11-week cycles with 45 students per cycle. Students leave their regular classroom to attend the IRIT classes for 3 hours each morning, 5 days a week. Groups of 15 students spend 1 hour with each of three IRIT teachers who specialize in one of three areas: decoding, vocabulary development and reading comprehension, and individualized reading. Instruction is highly individualized, and diagnostic testing is used to identify the special needs of each student.

Evidence of effectiveness indicated that IRIT participants gained more than 6 months in mean total reading scores on the California achievement test during the 1971–72 school year, and 9 months during the 1972–73 school year. These gains occurred in 10 weeks of IRIT instruction.

Programed tutorial reading (PTR) is a highly structured tutoring program for first graders who fall in the bottom quartile in reading. The children are tutored by carefully trained paraprofessionals or high school students on a one-to-one basis for 15 minutes each day as a supplement to their regular classroom reading instruction. PTR proved so successful with economically disadvantaged children from a multiplicity of ethnic backgrounds in rural, urban, and suburban localities that it is now in all 42 Indianapolis title I schools as well as many other schools throughout the country. The 1972–73 evaluation data from Davis County, Utah, the site chosen for validation purposes, indicated that on the average, PTR students tested 16 percentile points above a matched control group as a result of their participation in the program.

Project Catch-Up is designed to provide 1 hour per day of remedial instruction in reading and arithmetic to elementary schoolchildren scoring in the lowest quartile in these subject areas. The major instructional emphasis of the program is placed on the diagnosis of learning problems through extensive use of criterion-referenced tests. Evaluation data for the Newport-Mesa Unified School District in California for the 1971–72 school year indicated median gains on the cooperative primary reading test of 13.5 percentile points for the first grade, 20.2 percentile points for the second grade, and 10.3 percentile points for the third grade. In math, grade equivalent gains of 2.2, 1.6, and 1.8 months per month were reported for grades 4, 5, and 6 respectively.

High intensity tutoring is a highly structured tutoring program for sixth graders performing 1 to 5 years below grade level, and for seventh graders performing 1 to 3 years below grade level. At two HIT centers per school (one in reading, one in math) sixth and seventh grade tutees are tutored by seventh and eighth grade tutors. An unexpected benefit of the HIT project at the originating site, Highland Park, Mich., was that tutors gained in reading and math skills as much or more than tutees. Evaluation data from the 1971–72 school year indicated that on the average students who participated in the project for a full year gained 2.3 years on the wide range achievement reading test as compared to control group students who gained 0.2 of a year for the same period. In arithmetic, on the average, HIT participants gained 1.9 years on the wide range achievement arithmetic test for 1 year of instruction.

Project Conquest entails a clinical approach to reading that intensively diagnoses the child's reading problems through a 17-step diagnostic procedure and prescribes an individual structured learning program to be followed by the child throughout the year. The project was developed in East St. Louis, Ill., for disadvantaged children in grades one through six who were reading one or more years below grade level. In the 1972–73 school year evaluation data for Conquest students and nonproject students in grades one through six indicated a consistent superiority by Conquest students on the reading subtest of the California achievement test.

In addition to the packaged programs several dozen compensatory education programs have been identified as effective by OE. Development of dissemination strategies is currently in progress.

DISSEMINATION

Mr. Obey. Can you point to any increasing use of what is learned on the part of one school district by other school districts around the country?

Mr. Wheeler. Mr. Obey, we are feverishly working, as a matter of fact, on this responsibility for dissemination. We have established now among all of the States a process by which exemplary programs are identified and the process by which the components and considerations which go into the design of that particular educational program are made known to other school districts.

Also, we have an experiment which has been going on for 2 years now under the direction of Dr. Evans which seeks title I programs and other kinds of programs which are productive from the standpoint of achievement. Then we are packaging those and we will develop a system whereby we transfer knowledge about those programs to other school districts.

NIE ROLE

Mr. Obey. What role do you see NIE playing in this?

Dr. Bell. The NIE role?

Mr. Obey. Yes.

Dr. Bell. NIE has responsibility for research and development. They are just launching research on how to improve basic study skills which will be helpful to us. I think the prime problem on the elementary level is for us to learn how to do a better job of teaching reading and arithmetic to disadvantaged children. So I see the research in the long haul helping us in that regard.

In addition to that, I think we should be doing more in spreading the outstanding successful programs from one district to another and the effort that we want to initiate to give some incentive training to principals of title I schools. There are enough outstanding successful programs for us to feel encouraged that if we keep working we can make a difference.

Mr. Obey. I have a number of other questions, but I don't have time for them. Thank you very much.

Mr. Flood. Mr. Natcher.

REDUCTION IN BUDGET

Mr. Natcher. Dr. Bell, as you will recall when Dr. Trotter appeared before our committee, I discussed with her generally some matters we will take up more in detail as we proceed through the education portion of the budget.

Again, I would like to state to you, Dr. Bell, as you heard me say before, I am very much concerned about the reduction in the amount for the education division. Your $500-million-plus reduction in this division, I think, is right serious.

When the Secretary appeared before our committee, we pointed out to him as far as new money in the bill is concerned, it is $36.7 billion, and when you come in with a statement to the effect that this bill now contains $114 billion you, of course, are including all the trust fund money. As far as new money is concerned it amounts to only $36.7 billion. I think that is the exact figure.

Dr. Bell, you and I know that as far as the defense of our country is concerned, it is serious, and it is a major obligation. I am not in favor of reducing the defense budget one dime where the security of our country would be involved.

No longer do we have the Vietnam war underway at the cost of $2.5 billion a month, but they still present us on our committee a budget for the Department of Defense totaling $107 billion, $104 billion for the Department of Defense, $3 billion for work accomplished by the Department for the Atomic Energy Commission making the total of $107 billion a tremendous increase over the budget for fiscal year 1975.

IMPACT AID

But I am concerned here about the reductions, and I know that you are and the other members in your department are concerned about the reductions in the Education Division. I still, Dr. Bell, believe it is a serious mistake when you come in with impacted aid requests for your payments for B children and ask for $40 million. The 1975 revised figure was $354,616,000. You know of our struggles on this committee down through the years to keep this amount up as far as payments for B children and also payments for A children is concerned.

The $40 million request before our committee for B children certainly is wholly insufficient, and I, for one, Dr. Bell, will make every effort to raise that amount at least up to the figure we had for 1975.

When you say, Dr. Bell, as the Secretary of Health, Education, and Welfare pointed out to our committee, that too many rich school districts have benefited by this provision of the law you forget the poor districts and those that need this money and must have it.

Fort Knox is in Kentucky. We have six counties around Fort Knox that are vitally concerned about this money.

Here in the District of Columbia we have about $4,518,000 in impacted aid money. This is a rich district from the standpoint of the budget. The per capita expenditure is $1,385. We are losing 4,000 students a year in the District of Columbia.

Maybe they don't need that money, but we do in Kentucky. Maybe Montgomery County doesn't; some of these rich counties don't, but where you have these large military installations with low-income counties that are affected, certainly we need this money.

Now, as we go through, Dr. Bell, I am going to discuss with you and your associates matters concerning vocational education and all of these other matters and under elementary and secondary, the drug abuse program and all where you leave out money as far as the fiscal year 1976 is concerned.

Now, Dr. Bell, you are doing a good job, and you know I am very much impressed when you come before our committee. Some of your proposed reductions are not good.

Mr. Chairman, thank you very much.

REVISION OF 1976 BUDGET

Mr. FLOOD. Do you people plan to revise the 1976 budget if these rescissions are not approved?

Dr. BELL. I think Mr. Miller should respond to that.

Mr. MILLER. We don't know the answer to that question. We are going to do two things: First, recompute the base to see what it would cost to do the same amount of business in 1976. When we have done that, we are going to have our own internal councils and talk to OMB. We don't know the answer yet as to whether or not we will make adjustments in the 1976 budget.

ORGANIZATIONAL INFORMATION

Mr. MICHEL. Would you provide for the record an organization chart of your agency (office), showing the number of people, their salary levels, and their functions.

[The information follows:]

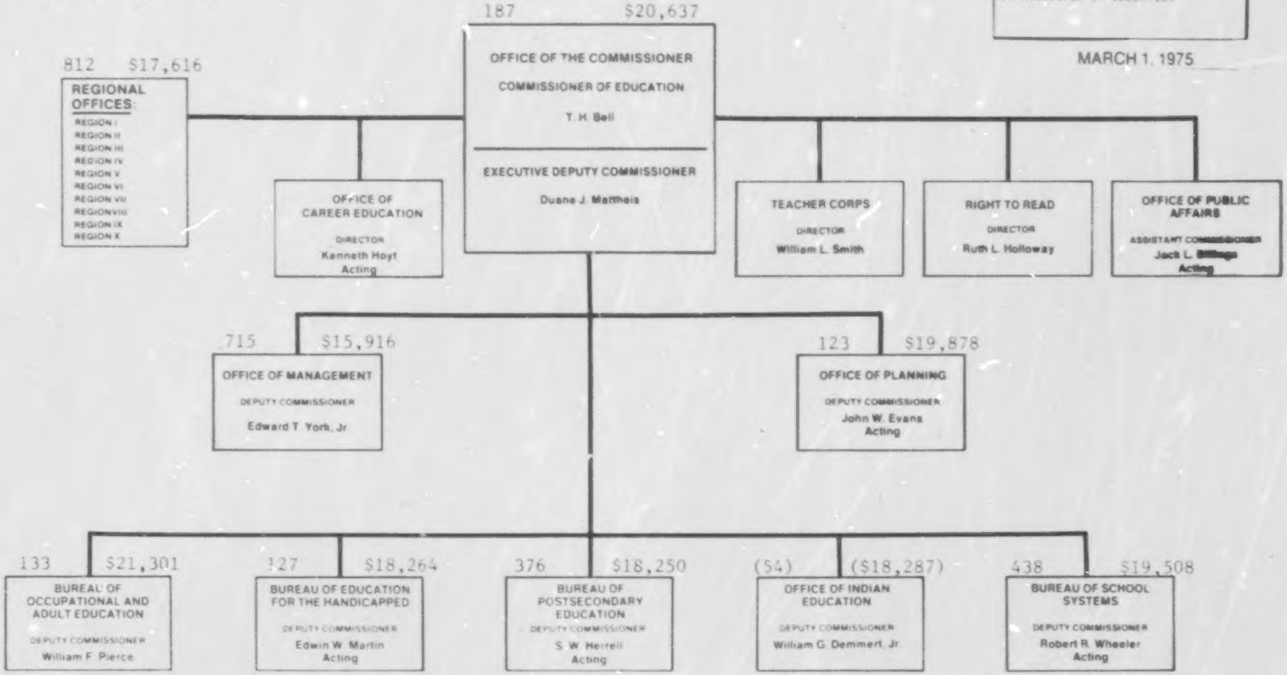
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

EDUCATION DIVISION
OFFICE OF EDUCATION

M S A D MARCH 1, 1975

APPROVED:
T. H. Bell
T. H. Bell
COMMISSIONER OF EDUCATION

MARCH 1, 1975


187 $20,637
OFFICE OF THE COMMISSIONER
COMMISSIONER OF EDUCATION
T. H. Bell
EXECUTIVE DEPUTY COMMISSIONER
Duane J. Mattheis
812 $17,616
REGIONAL OFFICES:
REGION I
REGION II
REGION III
REGION IV
REGION V
REGION VI
REGION VII
REGION VIII
REGION IX
REGION X
OFFICE OF CAREER EDUCATION
DIRECTOR
Kenneth Hoyt
Acting
TEACHER CORPS
DIRECTOR
William L. Smith
RIGHT TO READ
DIRECTOR
Ruth L. Holloway
OFFICE OF PUBLIC AFFAIRS
ASSISTANT COMMISSIONER
Jack L. Billings
Acting
715 $15,916
OFFICE OF MANAGEMENT
DEPUTY COMMISSIONER
Edward T. York, Jr
123 $19,878
OFFICE OF PLANNING
DEPUTY COMMISSIONER
John W. Evans
Acting
133 $21,301
BUREAU OF OCCUPATIONAL AND ADULT EDUCATION
DEPUTY COMMISSIONER
William F. Pierce
127 $18,264
BUREAU OF EDUCATION FOR THE HANDICAPPED
DEPUTY COMMISSIONER
Edwin W. Martin
Acting
376 $18,250
BUREAU OF POSTSECONDARY EDUCATION
DEPUTY COMMISSIONER
S. W. Herrell
Acting
(54) ($18,287)
OFFICE OF INDIAN EDUCATION
DEPUTY COMMISSIONER
William G. Demmert, Jr
438 $19,508
BUREAU OF SCHOOL SYSTEMS
DEPUTY COMMISSIONER
Robert R. Wheeler
Acting

OFFICE OF THE COMMISSIONER

The Commissioner manages and directs the affairs of the Office of Education with the aid of staff advisors and assistants, internal advisory groups, and special staff.

TEACHER CORPS

The teacher corps administers a program to strengthen the educational opportunities available to children in areas having concentrations of low-income families. Encourages colleges and universities to broaden their programs of teacher education by developing systematic processes through which qualified teachers and teacher-interns can acquire specified competencies.

RIGHT TO READ

Administers the right to read program which is designed to increase functional literacy in the United States.

OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs plans, develops, and directs a comprehensive public information program involving a variety of editorial services and the dissemination of news and publications for both print and audiovisual media in support of Office of Education programs. Primary mission is to acquaint the general public, and especially the Nation's educational community, with Office of Education programs and activities. Provides OE-wide and HEW coordination of general audiovisual and print materials developed for OE through grant, contract, or inhouse resources. Formulates operational public affairs objectives to support those Agency objectives being tracked by the Secretary and the Commissioner. In cooperation with the Commissioner and the Deputy Assistant Secretary for Education (Policy Communication) coordinates Agency contact with major educational organizations.

OFFICE OF CAREER EDUCATION

Plans, develops and coordinates all career education conceptualization, policy formulation and program activity within the Office of Education designed to improve the prospects of all Americans to have a successful life by enhancing the educational experience with career options. Develops objectives and plans for career education activities, coordinates activities that implement and support those efforts and administers assigned program of grants and contracts.

REGIONAL OFFICES

Provides for educational and administrative leadership in a region consistent with the provisions of Public Law 93-380 relating to regional offices. Carries out programmatic delegations of authority as assigned and in accordance with Public Law 93-380:

The regional offices shall serve as centers for the dissemination of information about the activities of the agencies in the Education Division and provide technical assistance to State and local education agencies, institutions or higher education and other educational agencies, institutions, and organizations, and to individuals and other groups having an interest in Federal education activities.

OFFICE OF MANAGEMENT

The Office of Management plans, directs and coordinates the activities of all segments of the Office having to do with management planning and evaluation, administrative and business management and operation and management of a program of low interest long-term insured loans for college and vocational students.

OFFICE OF PLANNING

The Office of Planning directs and coordinates the activities of all segments of the Office having to do with program planning and evaluation, legislative planning, congressional liaison.

BUREAU OF SCHOOL SYSTEMS

The Bureau of School Systems formulates policy for, directs, and coordinates the activities of, the elements of the Office of Education which deal with preschool, elementary and secondary matters, and libraries.

BUREAU OF OCCUPATIONAL AND ADULT EDUCATION

The Bureau of Occupational and Adult Education administers programs of grants, contracts, and, technical assistance for vocational and technical education, occupational education, career education, manpower development and training, adult education, consumer education, education professions development, and dropout prevention.

BUREAU OF POSTSECONDARY EDUCATION

The Bureau of Postsecondary Education formulates policy for, directs and coordinates activities of the elements of the Office which deal with programs for assistance to postsecondary educational institutions and students, to international education.

OFFICE OF INDIAN EDUCATION

The Office of Indian Education administers programs of grants to local educational agencies for elementary and secondary school programs designed to meet the special educational needs of Indian children and administers grants and, where applicable, contracts with eligible institutions, organizations, or agencies for special programs and projects to improve educational opportunities for Indian children and for special programs to improve educational opportunities for adult Indians. Responsible for programs designed to prepare individuals for teaching or administering programs for Indian children and for awarding fellowships to Indian students in graduate and progressional programs. Also coordinates other efforts to improve educational opportunities for Indians at all educational levels.

BUREAU OF EDUCATION FOR THE HANDICAPPED

The Bureau of Education for the Handicapped administers programs and projects relating to the education and training of, and services for the handicapped, including programs and projects for the training of teachers of the handicapped and for research in such education and training. Establishes Federal education policies for education of handicapped children and coordinates the development and implementation of such policies with other agencies and institutions. Responsible for the gifted and talented children and youth program and for providing staff support to the National Advisory Committee on the Handicapped.

CAPACITY BUILDING

Mr. MICHEL. At several points in your testimony, Dr. Bell, you refer to capacity building. It's a term which is used to describe the appropriate Federal role in support of education of the handicapped, bilingual education, vocational education, and other areas. Would you elaborate on this concept—on what you think the Federal Government, the States, and local governments should be doing in support of education?

Dr. BELL. The Federal share of educational expenditures in the United States is less than 10 percent. Clearly this money must be carefully husbanded if it is to be effective at all.

The need for discipline in spending Federal educational money is heightened by the large number of educational problems and priorities facing the country. Even if Federal dollars are spent in such a way that they do not displace State and local funds, these problems cannot be solved with the Federal money that is now available or is likely to be made available.

Therefore, the first conclusion we must reach about the Federal educational enterprise is that it cannot, except in unusual circumstances, take on the role of providing basic services to students. If it did so, the funds would quickly be absorbed, with relatively little effect on these educational problems.

Instead of this, Federal funds by and large must necessarily serve as supplementary sources of support. They are most useful in doing those things that the other levels of Government and the private sector cannot do, rather than displacing efforts that these other agencies can do.

At the same time, State and local governments and private sources remain responsible for providing basic educational services to the American people, in accordance with their own priorities and traditions.

Federal funds must therefore: (1) be concentrated on the most severe problems and (2) be spent in the most effective manner. The problems are those I mentioned in my opening statement—promoting equal education opportunity, improving the quality and relevance of education at all levels, and bringing education into closer touch with the rest of society.

These problems have been discussed thoroughly over the past decade. Far less attention has been paid, however, to an equally important question—how can money be spent in the most effective way so that these problems can yield to solutions?

One of the prime lessons that Federal agencies concerned with education have had to learn is the complexity of the educational system, and the difficulty of improving its functioning by throwing dollars at problems. There are no simple answers to the manifold problems of education; but by the same token it is likely that there are no answers at all that do not require as a prerequisite to progress, improvement in the functioning of the system itself. In this regard, there has often been a quite proper reluctance to devote scarce resources to areas that do not immediately and tangibly affect children in the classroom. We have, nevertheless, learned the importance of improving the educational infrastructure.

EDUCATIONAL LEADERSHIP

Mr. MICHEL. Dr. Bell, you are known to be an advocate of results-oriented management in the schools. Are the schools moving in this direction? In your testimony, you referred to educational leadership training. How would this work?

Dr. BELL. I believe that the schools are moving in this direction, although more slowly than I would like. The increased emphasis on accountability in education is an example of this. It is on balance a healthy trend.

The educational leadership program we are proposing in this budget is designed to develop the capacity in the schools to meet these demands more effectively. It will focus on the school principal—who I happen to think is and must be the key element in any effort to make schools more effective.

One result of the state of or near crisis in American education has been increasing emphasis on management of the schools in terms of the attainment of specifically stated educational objectives. A concomitant of "management by objectives" (MB) is increasing scrutiny of the performance and degree of adequacy of teachers and of the adequacy of the training they receive. This scrutiny has given rise to concerted efforts by teachers to organize their instruction in terms of specific measurable (behavioral) objectives. It has also given rise to a movement to train and certify teachers on the basis of demonstrated competency (performance) with respect to the basic skills, attitudes, and knowledge required for effective teaching. The key words in all of this are educational accountability.

We have found that educational accountability is not solely limited to teacher performance but requires increased competency on the part of the principal as well. The principal, as the key to the climate and conduct of the school has, with increased decentralization of decisionmaking authority, community involvement and accountability demands, a need for more and improved management, planning and evaluation skills than previous education and experience have generally afforded. Through the new educational leadership program, participants will develop increased ability in such areas as management by objectives, systems analysis and planning, data processing and analysis and program development and management. By giving principals these management skills, the program is expected to yield significantly improved educational performance at the level of the individual school.

I will not pretend that we know, fully and firmly, how to give this training. If I thought we did I would be shouting from the rooftops for a major investment in doing this with Federal leadership. But I believe we are in a position to begin. So this new program—it is a small program, only $3 million, but a very important one—this program will help us find the answers through development and demonstration work. This is clearly the first order of business. If Congress funds it—and I sincerely hope that Congress will fund it this year—we will start by trying out two very different types of approaches to the training of principals in order to see which works better. One approach will be to run a series of projects—workshops and the like—for principals in their own school systems. The other will be a more intensive, more academically-oriented, institute for a smaller number of principals. We will look at the costs and look at the benefits of each approach very carefully.

I am sorry to have gone on so long. This is, as I said, a small new program but one that I think is absolutely vital to our hopes for long-term improvements in education.

LOW PRIORITY PROGRAMS

Mr. Michel. Would you identify for us some of the programs in the education budget which you consider low priority, marginal, or ineffective—and candidates for reductions irrespective of overall budget constraints?

Dr. Bell. Programs considered to be of low priority fall into several distinct categories. The first category includes programs designed to demonstrate new education approaches through short-term pilot and exemplary projects. Once the demonstration function is fulfilled, the object of the program is achieved. This category would include follow through, environmental education, drug abuse education, veterans-cost-of-instruction, and educational personnel development (career opportunities and urban/rural programs).

The second category includes programs designed to satisfy a particular need, such as personnel training in a specified shortage area or the construction of education broadcasting facilities. Orderly phasedown in these activities becomes possible as the programs succeed in meeting the need. This category includes emergency school aid, educational broadcast facilities, educational personnel development (various activities), college personnel training, and library assistance (various activities). The third category includes programs that provide aid to a specified target group, but which overlap and are less efficient than similar programs. This category includes direct student loans (HEA IV–E) and ethnic heritage program. The fourth category includes programs that, in the administration's judgment, dissipate scarce resources on inappropriate target groups or on activities no longer requiring Federal aid. This category includes SAFA, university community services, aid to land-grant colleges, and State postsecondary education commissions.

GUARANTEED STUDENT LOANS DEFAULTS

Mr. MICHEL. You refer in your statement to steps taken during the past year to improve the efficiency of the guaranteed student loan program. Yet I noted when your supplemental budget came before us last week that the projected default rate is now 18 percent—though reference in the budget is made to 14 percent—compared with a projected estimate last year during our hearings of 8.6 percent. Will the new regulations governing the program and the new collection personnel you are proposing to add be likely to reduce this rate, and if so, by how much?

Dr. BELL. First, to clarify the disparity of the reported default rates, the 8.6-percent rate was the original 1975 budget estimate for the combined program—both Federal and State—which has now been revised to 11.3 percent. The 14-percent and 18-percent rates relate to the Federal insurance program only. The 14-percent rate being the final 1974 actual default rate and the 18-percent rate being the revised 1975 budget estimate—the original estimate was 11.7 percent.

Second, there is nothing which can be done at this time to reduce the default rate below the estimated 18 percent in fiscal year 1975; the final rate being determined by the actual dollar value of claims paid. However, the Office of Guaranteed Student Loans is currently initiating actions to reduce the default rate in the future. These actions include the publication and enforcement of the new regulations, February 20, 1975, and the complete augmentation and maximization of the regional collection effort and closely related field examination and claims examination functions. It will be several fiscal years before the full ramifications of these actions are felt. It is estimated that the default rate will continue to increase slightly over the next 2 fiscal years reaching a point of stabilization in fiscal year 1978 and initiating a reduction trend in fiscal year 1979.

GUARANTEED LOANS VERSUS DIRECT LOANS

Mr. MICHEL. Are guaranteed loans becoming easier to get, thereby eliminating the need for additional Federal capital contributions for the national direct student loan program?

Dr. **Bell.** The increasing loan volume in the guaranteed student loan program, combined with the elimination of the needs test in most cases, does indicate that the loans are becoming easier to obtain. We therefore believe that most of the need for student loans can be met through that program, thus eliminating the need for additional Federal capital contributions to the NDSL program. The aggregate net worth of the NDSL funds at participating institutions is now about $3 billion, and an anticipated $164 million will be realized from collections for making loans during 1976–77. That amount is considered sufficient to provide a loan of last resort to the relatively few students who have great difficulty obtaining access to a guaranteed student loan.

DEFAULT RATE COMPARISON

Mr. **Michel.** Provide a comparison of default rates between the national direct student loan program and the guaranteed student loan program.

Dr. **Bell.** The estimated default rate for the guaranteed student loan program as of June 30, 1975, is 11.3 percent, while the estimated potential default rate for the national direct student loan program as of June 30, 1975, is 14.2 percent. An explanation of the derivation of the rate for the direct student loan program is shown on the following chart.

CALCULATION OF NDSLP POTENTIAL DEFAULT RATE AS OF JUNE 30, 1973 COMPARABLE TO GSLP METHOD

Factor	Line item reference [1]	Aggregate U.S. amount [2]
1. Amount lent on fully retired loans	Line 2, col. b	$255,000,000
2. Amount lent on loans in deferred status	Lines 3.4 + 3.5 + 3.6, col. b	30,000,000
3. Amount lent on loans on schedule in repayment status	Line 4, col. b	1,065,000,000
4. Amount lent on loans in past due status	Line 5.9, col. b	490,000,000
5. Total matured loans (sum of No. 1 through No. 4)	NA	1,840,000,000
6. Principal amount outstanding on loans in delinquent status (i.e., loans past due more than 120 days).	Line 5.8, col. e	261,000,000
7. Potential default rate as of June 30, 1973 (No. 6 + No. 5) (percent).	NA	14.2

[1] All line item references are to the fiscal year 1973 fiscal-operations report, pt. II, sec. D.

[2] Based on unedited data from the fiscal year 1973 fiscal-operations reports of 2,148 participating institutions (out of a total participant group of approximately 2,300 institutions).

Note: Data from the fiscal year 1974 fiscal-operations reports are not yet available. We estimate that the percentage o potential default as of June 30, 1974, will not vary significantly from the rate as of June 30, 1973.

It should be noted that there have as yet been no defaults under the national direct student loan program because that provision in the Education Amendments of 1972 has not yet been implemented by regulation. That is why the calculations made from the fiscal year 1973 reports are termed "potential defaults"; those calculations show what the default rate would have been if all accounts which were past due by more than 120 days had been turned over to the Office of Education as defaults at that time. The actual amounts of defaults in the program and the actual default rate will probably be substantially lower than the potential defaults.

WORK ETHIC

Mr. **Michel.** In order to avoid further erosion of the work ethic, why not put major Federal emphasis on college work-study programs rather than basic educational opportunity grants?

Dr. BELL. The administration is firmly committed to a priority of student financial assistance which first addresses the needs of students in obtaining access to postsecondary education. We believe the entitlement concept embodied in the BEOG program is focused upon the goal of access. The BEOG request is the keystone of the fiscal 1976 administration budget for student financial aid. The $1.050 billion requested will allow for full funding of the program to all eligible postsecondary students attending at least half time. We would be opposed to any attempt to divert moneys needed to fund BEOG at the maximum entitlement.

The administration endorses the work ethic for part-time student employment in any federally or non-Federal sponsored form. Student loans under the guaranteed student loan program, State assistance under State scholarship incentive grants, and college work-study are all desirable programs to supplement basic grants in meeting the balance of a student's costs of education and permitting a degree of choice. In recognition of the role CWSP plays in a student aid package, allowing a student to pay as he goes for part of his educationally related expenses, the administration budget makes provision for continued program funding at $250 million.

VOUCHER PROGRAM

Mr. MICHEL. Have you initiated the experimental voucher program involving voucher payments as yet and, if so, has there been feedback so far?

Dr. BELL. The National Institute of Education is continuing support of the OEO-initiated education voucher experiment at Alum Rock, San Jose, Calif. It has also supported feasibility and planning studies for additional voucher sites in East Hartford, Conn., and New Hampshire, in order to test varying theoretical concepts and provide more information on the effects of vouchers.

Preliminary evaluation data to date has indicated that parents and teachers are satisfied with the voucher system and that children's achievement levels are remaining stable. In the spring of 1974, 81 percent of the teachers surveyed indicated they were happy to be participating in the program and 62 percent believed the quality of education would improve. Teachers cited increased autonomy within the school system as the reason for their satisfaction.

A majority of parents also indicated satisfaction with the program, expressing their belief that education for their children would improve. This was borne out by the observation that parents were interested in greater participation in the decisionmaking process and selected schools on the basis of the educational program offered rather than neighborhood location. In addition, 39 percent of the children who could change schools during the summer of 1974 did so, another indicator that parents are making critical choices about the kind of education their children receive.

Finally, student achievement levels measured before and after voucher system participation indicate children are performing at their expected levels. While the change to a voucher system has not led to improved achievement levels, it has not disrupted or lessened the educational achievement of the student participants.

EFFORT TO FIND OUT WHAT PROGRAMS WORK

Mr. MICHEL. Are you making progress in finding out what federally supported education programs are working and which ones aren't? Are all the funds we're appropriating for this purpose adding up to anything as far as helping you and us to make better policy decisions?

Dr. BELL. The answer to both questions is "Yes," but as you can appreciate, finding out what works and what doesn't is a difficult, complex, and long-term effort. There is no quick and easy answer nor are there simple measures which tell us when we are successful. Putting a Federal program into operation takes several years to start with. Then it takes several more years to take effect in the educational process, and only then can it be assessed.

Federal education programs are seldom established with an adequate research base beforehand, but rather in response to a perceived problem or issue. Development takes place in an operational setting and mostly through trial and error. Adequate experimental controls are seldom possible in such a setting and singling out the variables which make a difference is most difficult. Nevertheless, our evaluation activities are making progress in identifying what works and what doesn't, and it is a cumulative process.

For example, our studies of ESEA title I activities over the past several years have identified a number of exemplary programs. These have been disseminated through brochures by the title I office. Packages of exemplary reading programs have been disseminated by the right-to-read office. The Project Information Packages (PIP's) provide another example of projects that work. In studying adult illiteracy we have found that group instruction is not effective, but that individual instruction generally is. In assessing desegregation programs we have found that human relations programs were successful in promoting desegregation, but that other types of teacher training programs were not. In assessing student assistance programs we found that grants were more successful than loans in attracting low-income minority students to enroll in college. An ongoing study of change agent programs is identifying conditions necessary to making changes in our educational systems. These are a few examples of our findings on which programs work and which do not.

The results of our evaluation activities are increasingly helping both of us to make better policy decisions. Obviously there are many other considerations to policy decisions beside evaluation findings, but they do provide an important influence.

For example, a study of the title I allocation formula highlighted the trade-off problems in changing the formula or leaving it alone. Various alternative computations provided Congress influenced the title I sections of Public Law 93-380.

Studies of student aid programs led to the development of a model which was used to project costs of the basic grant program during the legislative deliberations on the Higher Education Amendments of 1972.

Studies of the ESEA title I program have led to the decision to concentrate program activities on basic skills.

A study of the developing institutions program led to the concept of the advanced institutional program.

A study of the bilingual education program led to the decision to increase emphasis on staff development and training and development of curricular materials.

Studies of performance contracting and the use of incentives in elementary education revealed insignificant gains in student achievement resulting from these approaches and served to dampen unwarranted support and enthusiasm for these approaches in the educational community.

These are just a few examples of evaluation findings helping policy decisions at both the legislative and executive levels.

EDUCATIONAL RESEARCH

Mr. Michel. What is the total amount in your budget for research-related endeavors, including the funds for NIE? Have the results of this research led to any significant improvements in the field of education?

Dr. Bell. The total amount of obligations for research and development in the Office of Education budget is $51,960,000 in fiscal year 1974, $46,807,000 in fiscal year 1975 and $200,960,000 is proposed for fiscal year 1976.

The National Institute of Education funds are not in the Office of Education budget, but fall within the aegis of the Assistant Secretary for Education. The total amount of obligations in the National Institute of Education budget is $75,691,000 in fiscal year 1974, $70,357,000 in fiscal year 1975 and $80 million is proposed for fiscal year 1976.

Over 95 percent of the fiscal years 1974 and 1975 research and development activities in the Office of Education are in the areas of vocational education and education for the handicapped.

In the area of vocational education, a recent supplementary report of Project Baseline sponsored by the National Advisory Council on Vocational Education, "The Impact of Vocational Education Research at the Federal and State Levels," outlines some of the major results of projects which the Office of Education has supported. The authors stated that the study:

> * * * has made a first effort to present information that will demonstrate the impact on the Nation of this 9-year effort. Outstanding programs have been described. Some of these have grown from small projects into a fund of knowledge that has altered the structure of vocational education in many States. Some have affected not only our States but many foreign nations as well. Information systems have been instituted, some providing analysis for State planners and some intended for use by students and teachers. Behavioral objectives and ways of measuring their achievement have been written for training programs in nearly 200 job categories. Nationwide networks for curriculum coordination and for cooperative planning and sharing have been instituted. A higher level of community involvement has begun to appear.

In the area of education for the handicapped, significant improvements include the development and improvement of: Sets of communication devices which permit severely crippled, nonvocal children to communicate by typewriter; validated materials for hearing impaired preschoolers for teaching manual communications; six new curriculums for education of mentally retarded children, now being distributed commercially; therapy techniques for speech impaired children, particularly for those with articulation and rhythm problems; and two devices, one for low-vision children and one for totally blind children, to improve the distribution of educational materials developed through the support of the Office of Education.

Two major increases for research and development activities are proposed for fiscal year 1976. We are requesting $160 million for vocational education research-related activities in fiscal year 1976 under proposed legislation. The new legislation is planned to shift the focus of Federal assistance for vocational education from general support services to innovative projects.

We are also requesting $38,993,000 under the Special Projects Act, of which $28,710,000 would be obligated on research and development in fiscal year 1976.

EFFORTS TO MINIMIZE DUPLICATION AND CUT COSTS

Mr. MICHEL. Would you also provide for the record a listing of those programs under your agency which overlap, in one respect or another, with other programs within the Office of Education. Can such programs be consolidated to make them more concise and lessen administration costs and programmatic duplication?

Dr. BELL. This is an extremely complex question, and it would take us several months to make a thorough and adequate analysis.

Most of our elementary and secondary programs in the Office of Education are, in fact, administered by the States and local school districts. These are administered under State plans and have very broad authority—such as education for the disadvantaged, supplementary services, and vocational education—and we do not have detailed project information on their operations.

Our programs which are discretionary at the Federal level also authorize a broad spectrum of activities, and we would have to examine them on a project-by-project basis to determine the extent of any overlapping. For instance, the Education Professions Development Act authorizes teacher training in all areas of education.

There are, of course, some obvious cases where assistance for certain needs or areas is provided under more than one authority. An example would be bilingual education, which is funded under title VII of the Elementary and Secondary Education Act, as well as under the Vocational Education Act, the Adult Education Act, the Indian Education Act, the Educational Professions Development Act, and under higher education programs such as strengthening developing institutions. Another example is education for the handicapped which is supported under title I of ESEA, the Vocational Education Act, and the Teacher Corps, as well as under the Education of the Handicapped Act itself. I might point out here, Mr. Michel, that the law itself prohibits any duplication by specifying that children served by title I cannot also be served by the Handicapped Act.

I would also like to emphasize that the legislative intent of Office of Education programs has contributed to this diversity of programs and purposes. As critical needs have risen, Congress has responded by enacting specific categorical programs to provide assistance in those specific areas.

One of our major priorities has been to increase the flexibility and efficiency of educational expenditures by consolidating categorical programs. In cooperation with the Congress, we have had some success in this area. The Education Amendments of 1974 consolidated seven programs in elementary and secondary education into two—the support and innovation program and the libraries and instructional resources program. This consolidation really reduces Federal administrative responsibilities very little.

I would underscore one final point, Mr. Michel. In administering these programs we make a conscious effort to direct the funds in such a manner as not to exceed the effort that is needed. We make every effort to avoid all duplication and overlapping wherever possible. We have taken measures to cut the costs of administration by streamlining our bureau structures and by such management measures as developing a centralized application routing system. You may be certain that these efforts will continue to be made.

OFFICE OF EDUCATION EFFECTIVENESS

Mr. CONTE. Do you feel the Office of Education has the resources to effectively do its job? Also, would you tell us what efforts have been undertaken to shift resources from low priority areas to high priority areas and to improve productivity?

Dr. BELL. The effectiveness of the Office of Education to administer educational programs and provide Federal leadership depends, in large measure, on manpower resources available. Because the Office of Education is a part of the Federal effort to conserve economic resources, the fiscal year 1976 request for manpower does not parallel the increase of responsibility and workload anticipated in fiscal year 1976. Under less severe economic conditions, the burden of meeting increasing workload requirements would be accompanied with a request for substantially more positions than the actual positions requested. The Office of Education has been faced with an increasing workload requirement without commensurate staff. We have attempted to execute our program responsibilities by increasing productivity and shifting positions from low priority areas to high priority areas; our fiscal year 1974 and 1975 experiences are the most recent examples.

The fiscal year 1974 President's budget requested education revenue sharing and a corresponding decrease of some 300 positions. Although the education revenue sharing proposal was not enacted, only 200 positions were restored for existing programs, and programs for which support has not been requested were added without any staff to support them.

To provide staffing to correspond to programs ultimately appropriated, positions were shifted from among the following programs: emergency school aid, supplementary services and centers, international activities, strengthening State departments of education, and school assistance in federally affected areas. In addition to providing positions for those programs that had been slated for education revenue sharing, these shifts were necessary to provide additional staff for programs for which funds were appropriated but had not been requested, such as increases for direct loans and bilingual education and for State student incentive grants, veterans cost of instruction, and ethnic heritage.

Our fiscal year 1975 budget requested consolidation of several OE programs and a corresponding decrease in positions. Consolidation, however, was not approved for fiscal year 1975, but in view of severe economic constraints a request was not made to restore these positions. Staffing for the categorical programs was provided by further reducing some programs that had already been reduced the previous year, such as for title V of ESEA, and shifting positions originally planned for the guaranteed student loan program and the basic educational opportunity grants program, among others.

At these minimum staffing levels, the Office of Education has come under criticism for not adequately monitoring programs, such as vocational education and handicapped programs. Under ideal staffing levels each program would be able to visit their grantees at least once a year to monitor the effect of Federal fund expenditures. Our current experience shows, however, that only half of our discretionary programs are able to make site visits to grantees no more than once every other year.

To address priorities, during this period of continuing restraint, the Office of Education will continue to focus on intensive training and better utilization of available staff. The thrust of this effort will rely on the expansion and refinement of an agencywide manpower utilization system which is shown in appendix A of the salaries and expenses fiscal year 1976 congressional justification.

This manpower utilization system will provide Office of Education management with a tool which measures current productivity as well as forecasts productivity. Productivity is measured by comparing the manpower available with the amount of work completed in a given period. Assessment of productivity will then be used in our continuing effort to shift resources from low-priority areas to high-priority areas in fiscal year 1976.

LOWERING DEFAULTS FOR GUARANTEED STUDENT LOANS

Mr. CONTE. What legislative reforms are you proposing to lower the default rate on student loans. What steps have you taken in-house, and what has been their effect?

Dr. BELL. The Secretary of Health, Education, and Welfare transmitted to the Speaker of the House of Representatives on February 27, 1975, legislative proposals to further reduce defaults. Three important features of this transmittal consist of an incentive offered to lenders to encourage the multiple disbursement of loans over the course of a school year, a provision to eliminate proprietary schools as eligible lenders, and an amendment to the Bankruptcy Act to make student loans nondischargeable in bankruptcy during the 5-year period after the first installment thereon becomes due.

The two main in-house actions which have been initiated to reduce the default rate are the publication of the new regulations on February 20, 1975, and the complete augmentation of regional functions including collections, field examination, and claims examination. These actions, being introduced only recently, will have little, if any, realizable effect on the default rate in fiscal year 1975, taking several fiscal years for their full ramifications to be felt. It is estimated that the default rate will continue to increase slightly over the next 2 fiscal years reaching a point of stabilization in fiscal year 1978 and initiating a reduction trend in fiscal year 1979.

HANDICAPPED

Mr. Conte. You state that education for the handicapped has been one of the most neglected in American education. It would seem that this neglect could be countered best by continuing to provide assistance for State programs while building capacity at the same time. Why is the Office of Education so reluctant to agree with this committee on the need to assist the handicapped?

Dr. Bell. The Office of Education has shared with the Congress the philosophy that the responsibility for providing an equal educational opportunity for all handicapped children resides in the States. The Federal Government has seen its role as developing the capacity of the States to provide such educational opportunities, not in supporting the provision of services. Our strategy has been to use our scarce resources to stimulate improved and new services, and not to substitute our funds where State and local government should be providing adequate support.

ENVIRONMENTAL EDUCATION

Mr. Conte. You propose terminating the environmental education program stating that State and local education agencies should assume a greater share of the responsibilities for such programs. What has the State and local share of funding been up to this point? What do you anticipate their level of support will be if Federal funds are withdrawn?

Dr. Bell. Recipients of environmental education grants are required to provide part of the project cost as follows: 20 percent of the project cost for the first year; and an amount for second and third year funding, of 40 percent and 60 percent respectively. If Federal support is withdrawn the total cost of projects will have to be assumed by the project sponsor or other contributors.

THE STUDIES

Mr. Conte. $9.5 million of the disadvantaged grants request must be set aside for "evaluation and other studies." What are these other studies?

Dr. Bell. The Education Amendments of 1974 mandated the conduct and submission of a large number of studies and reports. Several of these relate to ESEA, title I. Section 151 mandates "Independent evaluations which describe and measure the impact of programs and projects assisted under this title"—$3.25 million is requested for this purpose. Section 821 requires the National Institute of Education to "undertake a thorough evaluation and study of compensatory education programs including such programs conducted by States and such programs conducted under title I of the Elementary and Secondary Education Act of 1965." The legislation further mandates that $5 million of title I appropriations be made available annually to NIE for this study for fiscal years 1975, 1976, and 1977. Section 417(a)(2) requires a survey of how many children counted for Title I allocation purposes "participate in such programs and projects and how many of such children do not, and a survey of how many educationally disadvantaged children participate in such programs and projects and how many educationally disadvantaged children do not"—$1.25 million is requested for this purpose.

EVALUATION

Mr. CONTE. What is the nature of your evaluation effort? What criteria do you use to evaluate the programs? How do you select the criteria used?

Dr. BELL. Our evaluation effort is aimed at carrying out a series of scientifically designed objective studies each year on the impact and effectiveness of Federal education programs. The purpose is to meet both the needs of Congress and management for hard objective data on how well programs are meeting their intended objectives. To this end an evaluation plan is developed each year, study designs and RFP's are prepared by in-house specialists, and contractors are selected through competitive bidding procedures to perform the field work, data collection, and analysis. The results are disseminated widely to Congress, State education agencies, and the education community. Within OE, the results are used to influence management decisions and to improve program management. There are a variety of criteria used to evaluate the programs. The specific ones used depend on the objectives of the evaluation, the nature of the program being evaluated, and the availability of data or the difficulty and cost of obtaining the needed data. For example, if we are assessing the effects of a student aid program in helping low-income students, an important criterion is the income level of the students receiving aid and the percent of low-income students enrolled receiving aid. If we are evaluating a vocational education program, we try to assess the number or percentage of graduates obtaining employment related to their training. If we are evaluating a compensatory education program we try to assess achievement gains in reading and computational skills, and if we are evaluating a school desegregation program, we try to assess, among other things, changes in racial attitudes.

HANDICAPPED SET-ASIDES

Mr. CONTE. You are requesting $109 million for handicapped programs under disadvantaged grants. Fifteen percent of the funds appropriated for support and innovation are earmarked for programs for handicapped children. What are the differences between these programs? How are they administered? What effort is made to avoid duplication?

Dr. BELL. Title I, grants for the disadvantaged, administered by the Bureau of Education for the Handicapped, includes a set-aside for grants to SEA's to provide support of basic special educational services to handicapped children in State schools and institutions. Title IV, part C, ESEA, administered by the Bureau of School Systems, includes a set-aside for handicapped children which provides support for innovative projects. Out of a State's allocation for part C, it may retain up to 15 percent of the amount or the amount it received in fiscal year 1973 for title V, ESEA, whichever is larger for strengthening State and local educational agencies. Of the remainder, it must use at least 15 percent for projects for handicapped children. These projects may be distributed, at the State's discretion, among the three other programs included in part C: Supplementary centers and services, school nutrition and health services, and dropout prevention. While school nutrition and health services must be used for low-income children, the other two programs need not be restricted to low-income handicapped children. The separate goals of these programs and the fact that there is close coordination between the two Bureaus would prevent duplication.

BILINGUAL EVALUATION

Mr. Conte. Testimony last year stated that a systematic evaluation of bilingual education programs was underway. Did you consider the results before you decided to shift the emphasis of your effort in this area to capacity building?

Dr. Bell. Yes. An evaluation of the bilingual education program was completed under contract with Development Associates, Inc., in January 1974. Two of the key findings of that study were that there were shortages of trained bilingual teachers and shortages of appropriate bilingual instructional materials and that these shortages handicapped program operation. These findings were important in shifting program emphasis to capacity building activities; that is, training of bilingual teachers and development of curriculum materials. Both of these activities are reflected in our budget proposal.

RIGHT TO READ

Mr. Conte. By how much has functional illiteracy been reduced since the inception of the right to read program?

Dr. Holloway. As a national effort, right to read will be assessing the extent to which illiteracy both through schools, States, and private sector have been reduced by 1976. The individual programs which have been funded under right to read show several different kinds of growth: The school based program indicated that the average student gained in excess of 1 year for the year of instruction; the community based demonstration program evaluation indicated substantial gains in the development of functional tasks. Additionally, right to read let a mini contract to assess the degree to which 17-year-olds were performing in the area of literacy skills. Preliminary data from this assessment reveals that 17-year-olds are now reading better than they were the previous 2 years. More definitive information however, will be available by 1976.

Mr. Conte. What do you mean by functional literacy? Does that mean someone who has trouble understanding IRS regulations or does it indicate someone who has difficulty reading a newspaper.

Dr. Holloway. Right to read has defined functional literacy as the ability to read to the end that the individual is able to function productively as an adult and thereby increase the benefits to be derived from this society. Implied in this definition is the recognition that to function productively may require the ability to perform certain general tasks and certain specific tasks which will allow an individual to take advantage of options that should be available and to create new options for himself. Such tasks involve, at a minimum level: Reading a newspaper, reading a driver's license test, understanding medicaid forms, reading recipes, supermarket labels and a variety of daily functional tasks which are essential to surviving in the United States. This definition is contrasted with the U.S. census definition which is to ascertain from individuals whether or not they can read and write a simple sentence.

Mr. Conte. What is the nature of the private agencies receiving assistance under the right to read program? How do they use the Federal funds they receive, how do you monitor the use of those funds?

Dr. Holloway. A major feature of the national right to read effort is the involvement of the private sector. As such, private agencies are not generally funded under the program. Major businesses and corporations are involved in right to read by establishing a variety of types of programs or activities which support reading and literacy. Examples of these are the establishment of on-the-job literacy programs, providing release time for employees to participate in tutoring children or adults, developing special programs for secondary school students at business plants to assist them in reading and literacy, publishing paperback books at reduced costs so that children may purchase them, and the National Football League donating advertising time for encouraging children to read. These represent the kinds of activities in which the private sector is engaged in right to read. In a few instances, we let major contracts to commercial firms on a competitive basis to develop specific kinds of materials. Examples of these are: the development of adult literacy TV programs in both English and Spanish; the development of the preschool materials for parents of preschool children; and the identification and validation of effective reading programs, preschool through adult and the packaging and dissemination of those programs. However, these are severely limited and are published in the Commerce Business Daily. Most of the private agencies in right to read are involved in giving of their services in joining the national right to read effort.

Mr. Conte. What portion of the functionally illiterate adults in the United States are reached by the right to read program?

Dr. Holloway. As a program, right to read has only $12 million and therefore, is not in a position to reach the 18½ million adults who are functionally illiterate or the 7 million children. However, right to read has developed a multiplier effect to the program which allows for its funding to spread in a broad way. Several examples are as follows: Right to read funds State agencies for a small amount of money to train local right to read coordinators who coordinate all of reading. While the States do not provide direct moneys to local districts, they provide training. Some examples are: Florida State Education Agency receives $168,000 and is generating $92 million in State resources; North Carolina is funded for $138,000 and generating $22 million; Minnesota was funded for $118,000 and has generated $5 million; and Alabama is funded for $112,000 and matches each dollar in a line item budget in the State legislature. In this way, right to read plans to reach, through its national multiplier program the functional illiterate adults in a variety of ways. Unfortunately, the State program will be discontinued unless the new legislation is amended and resources for new States are on a very limited basis.

FOLLOW THROUGH

Mr. Conte. You again propose phasing out Follow Through, despite the renewal of its authorization for 3 years. In testimony during the budget rescission hearings, Commissioner Bell stated that research into the problems of the educationally disadvantaged will continue under various other programs, most of which would require field testing. Have you considered using the proven capacity of Follow Through as a vehicle for the necessary testing?

Mr. WHEELER. Yes, this has been suggested. The most effective element in Follow Through for this purpose, I think, is the large-scale experimental approach. One problem is that this kind of activity, if carried out specifically through Follow Through—would have the problem that it would be difficult to redirect the existing Follow Through projects to new activities. We and our colleagues in the Education Division believe, however, that this approach has merit and we are continuing to look at it.

MEETING NEEDS OF BILINGUAL STUDENTS

Mr. CONTE. You are focusing on "capacity building" for bilingual education. What are you doing to meet the needs of bilingual students over the short term? How many will be directly assisted under your request?

Mr. WHEELER. While inaugurating a new strategy to strengthen the resources of school systems to address the needs of the children of non- or limited English-speaking ability, we are maintaining the classroom demonstration effort which has characterized the title VII effort since the program was first funded. About 67 percent of our proposed budget or $46,900,000 will support some 292 such projects involving the inservice training of about 9,000 teachers and aides. These demonstrations will provide bilingual instruction to about 204,000 children, only a small percentage of those estimated to require such services. The demonstration mode serves a vital purpose in developing ways to address the particular needs of children who are handicapped in some way, in this case by a lack of knowledge of English. However, to meet the educational needs of from 1.8 to 2.5 million children, the Nation must have suitable resources now lacking in sufficient numbers, namely trained teachers and quality materials. It is this need that the capacity building strategy seeks to address.

EDUCATIONAL TV

Mr. CONTE. Testimony last year indicated that 20 percent of the population was not covered by educational TV, and 32 percent lacked coverage by educational radio stations. Your budget request proposes three new TV stations and six new radio stations, yet does not increase coverage. Why?

Dr. BELL. The figures cited in the testimony of last year were approximate. To increase the coverage by 1 percent, service must be provided to an additional 2 million persons. Of the applications under active consideration for funding in fiscal year 1975 which will bring full-service noncommercial radio or televison signals to a community for the first time, less than one-third have primary coverage areas which include a major population center. In activating a noncommercial broadcasting station having 203,235 persons within its primary coverage area, the percentage of coverage of the entire U.S. population will increase only one-tenth of 1 percent.

CAREER EDUCATION

Mr. CONTE. In your statement of priorities, you did not mention vocational or career education. What percentage of high school graduates continue on to college and what percentage immediately seek to enter the labor force?

Dr. BELL. According to the Bureau of Labor Statistics, about 47 percent of the high school graduates for 1973 were enrolled in college in October 1973 and 60 percent of the class of 1973 were in the civilian labor force. The labor force percentage includes 37 percent of those enrolled in college and 81 percent of those not enrolled in college. The 47 percent entering college in the fall immediately following high school graduation did not include those who postponed entering college for 1 or more years. If we included these people in our computation, the percentage would be about 58 percent, rather than 47 percent.

CONSOLIDATION

Mr. CONTE. Will the consolidation provisions of the Education Amendment of 1974 enable the Office of Education to reduce some of the cost of administering education programs? By how much?

Dr. BELL. The consolidation provisions of the education amendments will certainly not reduce the cost of administering education programs. In fiscal year 1976 just the opposite will be true, for title IV, ESEA, prescribes two sets of programs, each of which imposes heavy administrative responsibilities on OE. One set is in the consolidation mode which combines seven programs into two clusters; Consolidation will require full administrative responsibilities even though it will operate at 50 percent funding. At the same time each of the seven programs will operate categorically at one-half funding, with all of the attendant administrative requirements that these programs needed in previous years.

In fiscal year 1977 and subsequent years the consolidated mode will permit 100 percent funding, provided the Congress meets the two triggering requirements. While the consolidation gives States and local educational agencies more discretion, it reduces Federal administration responsibilities very little. States must submit a "simplified" State application which is simplified only to the extent of requring four assurances, common to many programs, only one time. The "simplified"—general— application requires an annual program plan for each program which must be reviewed, approved, and monitored by OE.

New responsibilities for OE are added in the new act, by stronger provisions for equal opportunity for children in nonpublic schools, and more complex "bypass" provisions—see section 406, title IV—by requiring much more extensive reporting by SEA's and LEA's to OE—section 512—and many other such requirements. The Commissioner's discretionary components of the programs that were consolidated—section 306, title III and section 505, title V, ESEA—have been retained in another form in the special projects act—section 402, title IV, Public Law 93-380. The Special Projects Act also adds or extends seven categorical programs, each requiring substantial administrative procedures.

Nevertheless, OE will make every effort to administer the consolidated programs most efficiently. It is our hope that we can streamline our administrative operations sufficiently to be able to provide additional and much-needed technical assistance to State and local school systems. There is a great need for OE to provide leadership resources to promote the adoption of exemplary practices and projects that have been developed over the past 10 years with the aid of Federal programs.

FOLLOW THROUGH PHASEOUT

Mr. CONTE. Last year the authorization for Follow Through was extended for 3 years. During the budget rescission hearings, you stated that it was probable that the economic situation would cause several local projects to be dropped. Why can't phaseout be programed for a time when there is more likelihood of continuation at the local level?

Dr. BELL. It is, of course, not possible to predict when the economic picture will be brighter. However, the reason for phaseout as we have stated, is that the purpose of Follow Through as an experiment has been achieved. The achievement of that purpose is not directly relevant to whether the projects at the 169 sites can be continued without Federal assistance since the program is not a service effort. At the same time, we have taken the needs of the local sites into account in proposing phaseout rather than abrupt termination. The first effects of phaseout, a reduction of funds to support no new entering class, would take place this fall, with other reductions.

COLLEGE PROGRAMS VS. VOCATIONAL PROGRAMS

Mr. CONTE. Could you provide a breakdown of Federal assistance provided for college programs as compared with the assistance provided for vocational programs over the past few years?

Dr. BELL. Federal outlays for occupational and vocational programs and for other higher education programs are as follows:

OUTLAYS
[Millions]

	1974 actual	1975 estimate	1976 estimate
Occupational and vocational education	140	159	156
Basic opportunity grants	49	451	502
Work-study and supplementary grants	261	462	521
Guaranteed student loans	294	370	437
Direct student loans	281	255	313
College teacher fellowships	26	7	4
Student loan insurance fund	45	95	104
Construction loans and grants	66	58	62
Disadvantaged students and developing institutions	111	137	156
Special institutions	84	94	87
Student grants (OASDI)	618	695	785
National Science Foundation	36	38	46
Bureau of Indian Affairs	23	32	32
Other	202	222	193
Total, higher education	2,236	3,075	3,398

CAPACITY BUILDING

Mr. CONTE. The budget for the Office of Education proposes substantially increased reliance for many programs. I realize that there aren't enough funds—at either the Federal or State level—to satisfy all needs. But in so abruptly switching your emphasis to "capacity building," aren't you placing an undue strain on the States' fiscal resources? Couldn't a greater number of people be helped if the transition were more gradual and existing grant programs were phased down only as the funds of "capacity building" began to come on line?

Dr. Bell. The capacity-building strategy is designed to make the best use of the funds that are now available to the Federal Government. In many cases, this strategy can be carried out without reducing the funds available to the States.

There are two areas, however—education of the handicapped and vocational education—where we are proposing major redirections toward a capacity-building strategy and away from a State-grant emphasis.

In education for the handicapped, the fiscal 1976 budget proposes a reduction from $100 million to $50 million proposed in the State grant program. This would return the State grant program to the 1974 level. The proposed total for all other programs is increased by $25 million, to $125 million. The net effect of these changes on State expenditures, which are now running at over $2.3 billion a year for education of the handicapped, will be comparatively small. This is especially true since the Federal capacity-building activities are programs that the States would have to carry out to be effective in any case. To put things another way, there are an estimated 7 million handicapped children in the United States. If all of the $175 million requested for education of the handicapped in this budget were distributed on a per capita basis—assuming that this could be done—the total for each child would be about $25 a year. So the gains would be negligible.

In vocational education, we will be proposing major redirections toward capacity building under new legislation to be submitted shortly. In this area, however, State contributions have consistently dwarfed Federal expenditures by factors of 5:1 or better. Since there will be no overall reduction in the level of Federal aid, the effect of these changes will be to reduce a Federal activity that largely parallels greater State activity and instead concentrate funds on areas where the funds can be put to the most productive use. This will enable both the Federal and State Governments to rationalize their expenditures and eliminate duplication, without reducing the overall level of support for vocational education.

In all of these areas, the aim of the capacity-building approach is to improve the quality of education, rather than simply to increase the number served in one fashion or another. Ineffective services equal wasted money and, more important, wasted time and wasted lives. Within the general budget constraints open to us, we believe that the capacity-building approach is the most effective way to provide high-quality education. Any strain on State resources is compensated for by the increased support for system-building programs. No program proposes to entirely eliminate direct formula aid. Short of major budget increases in these areas, this approach is the most cost-effective way to optimize the provision of services over the long run.

SHARING OF ADMINISTRATIVE DUTIES

Mr. Conte. You state that the Office of Education has over 120 separate programs to administer. To what extent can administration of these programs be shared to prevent duplication of effort and keep overhead costs down?

Dr. BELL. During the past several years, one of the administration's major priorities has been to increase the flexibility and efficiency of educational expenditures by consolidating categorical programs into a smaller number of programs. We have made some strides in this matter, in cooperation with the Congress. For example, the Education Amendments of 1974 consolidated seven categorical programs in elementary and secondary education into two: The support and innovation, and libraries and instructional resources programs. This consolidation will become fully effective in 1976.

However, it remains true that Congress, in an effort to solve emerging national problems, has established a great number of narrowly focused categorical activities. These programs have different and often very specific legislative purposes. These require individual sets of regulations and funding criteria. Consequently, administrative measures to cut redtape have had only a limited effect. The Office of Education has tried to solve some of these problems through decentralization, but there are severe legislative limits on our ability to decentralize program activities.

The Office of Education has taken measures to cut the costs of administration by streamlining its bureau structure and by such management measures as the development of a centralized application routing system. These efforts are continuing.

NATIONAL INSTITUTE OF EDUCATION

Mr. CONTE. How will the National Institute use the $5 million set aside for evaluation? How do you coordinate evaluation with NIE? Who evaluates what?

Dr. BELL. As you may know, NIE submitted its plan for the study for congressional review in December 1974. The congressional review has now been completed, and NIE is beginning to implement the study with fiscal year 1975 funds. The study has four parts called "Student Development," "Funds Allocation," "Demonstration Programs," and "Administrative Studies."

Projects under "Student Development" are intended to identify the purposes of programs provided by title I and State compensatory education activities, to provide evidence about their effectiveness, and to develop alternative designs for compensatory education. There are three major projects. The first is a general survey of compensatory education activities in a sample of districts for the purpose of describing the goals of these activities and the methods adopted for attaining them. This study will be initiated in fiscal year 1975 at a cost of $1 million and will require $250,000 of fiscal year 1976 funds. The second is a synthesis of existing data on program effectiveness (including secondary analyses) using material collected by education agencies, the Federal Government, education organizations, and independent researchers. NIE will devote $500,000 to this effort in fiscal year 1976. The third is a more detailed survey of compensatory education in a small number of specially selected districts to analyze the effectiveness of particular methods for meeting children's needs. This study will be initiated in fiscal year 1976 at a cost of $1.75 million.

Projects under "Funds Allocation" will study the implications of alternative criteria and methods for allocating Federal compensatory education funds. One study will include simulations of the effects of alternative eligibility criteria on the allocation of funds to jurisdictions and groups of children. Fiscal year 1976 cost will be $250,000. Another major activity will be studying existing and possible methods for subcounty and subdistrict allocation of title I funds. Fiscal year 1976 cost will be $106,000.

Projects under "Demonstration Programs" will rely on an authority given to the Commissioner of Education under Public Law 93–380 to grant waivers of title I regulations for experimental purposes. Demonstrations will be conducted in 20 school districts, selected from around the country with the help of State and local education agencies. They will be designed to demonstrate the effects of changing Federal title I regulations on local school districts' ability to mount effective compensatory education programs. The total cost for demonstration programs will be $1.5 million.

Projects under "Administrative Studies" will study the operation of Federal, State, and local agencies which manage and deliver compensatory education programs. The research will include a survey of regulations which States use to administer title I and their own compensatory education programs, and studies of the ways in which State and local administration can enhance the effectiveness of compensatory education. A total of $650,000 will be spent on these studies in fiscal year 1976.

Evaluation is coordinated with NIE in several ways. First, we forward, review, and comment on each other's evaluation proposals and projects. Second, project monitors in NIE and OPBE maintain frequent informal contact with each other on the status and progress of their projects. Third, both the Assistant Secretary for Education and the Office of the Assistant Secretary for Planning and Evaluation review evaluation plans and projects of OE and NIE and insure that coordination is effected.

In general, there is an effective division of responsibility for evaluation between OE and NIE. OE evaluates the Federal programs it administers, while NIE evaluates the research programs it administers or other research activities. Normally, NIE would not evaluate ESEA title I activities, except that Public Law 93–380 mandated a study of all compensatory education to include title I. However, through coordination of efforts, the NIE approaches will not duplicate OE's efforts, and some of the data collected by OE will be used by NIE for their purposes.

Mr. Conte. How does the support and innovation program under the Education Amendment Act of 1974 differ from programs run by the National Institute of Education?

Dr. Bell. The educational innovation and support programs, part C of title IV, authorize the Commissioner to make grants to SEA's and LEA's to stimulate and assist them in the development of exemplary programs or to support their establishment of demonstration programs. The focus is on encouragement of State and local initiatives. It is not research but rather the application of research in operational settings.

NIE programs, on the other hand, support research and experimentation to develop new knowledge. Grants are made selectively on a project basis primarily to research-type organizations rather than the SEA's or LEA's.

Mr. Conte. What effort is being made to prevent duplication of effort on the part of the National Institute of Education and other innovation and research and development programs?

Dr. Bell. When NIE was established, continuation of efforts in two areas of research were left with OE, education of the handicapped, and vocational education (research grants to States). With regard to innovation and development programs, OE's role is primarily to fund and stimulate State and local efforts, while NIE's role primarily is to administer or conduct specific projects. Hence, there is a division of responsibility between OE and NIE. Frequent contact between project directors in OE and NIE avoids duplication of effort as well as review and coordination efforts at the ASE and OS levels.

COST MANAGEMENT

Mr. Conte. Has the Office of Education taken any specific steps, such as consolidation or reporting requirement or the like, to hold the cost of providing Federal education assistance to a minimum?

Dr. Bell. The Office of Education has long been concerned with keeping to a minimum the costs of providing Federal education assistance. It was for this reason that we proposed the several program consolidations. We are hopeful that the implementation of the Education Amendments of 1974, including the simplified State application, will result in keeping the administrative costs of Federal assistance to a minimum.

APPLICATION PROCEDURES

Mr. Conte. What progress has been made by the Office of Education in revising application procedures as required by the Education Amendments of 1974?

Dr. Bell. Section 511 of the Education Amendments of 1974 requires the development of a "Simplified State Application" to be submitted by State agencies desiring to participate in OE-funded programs. Proposed rules for this process will shortly be published in the Federal Register and sent to the Congress for comment.

INDIANS

Mr. Conte. What assistance is available under part A of the disadvantaged grant program for northeast Indians?

Dr. Bell. Title I allocations are made on a county basis. State departments of education allocate school district amounts to LEA's. Indian children living in eligible school attendance areas are eligible to participate in programs. No precise amount is identified for Indian children. However, title I allocations to the State of Maine from 1966 through 1973 included $84,383 for the Passamoquoddy and Penobscot Indians. These allocations were determined by the use of 1960 census data which were separately identified by school district.

When 1970 census data became available there was no count of children shown for the Passamoquoddy and Penobscot Indians by school district. The Office of Education formally requested the Bureau of the Census to report if the Indian children had been counted and the number of such children. The Bureau of the Census responded that the Indian children had been counted and were included in the count of children in the counties of Penobscot and Washington.

The Bureau of the Census further indicated that it could not furnish the number of such children.

The State of Maine is faced with the problem of making subcounty allocations to local school districts within the county amounts given by OE. It is our understanding that the Bureau of the Census will identify the number of Indian children for the State of Maine for $11,000. In the absence of data from the 1970 census, the latest data available to the State of Maine are 1960 census data.

AUTHORIZATIONS VS. APPROPRIATIONS

Mr. MICHEL. We always hear every year from people who want full funding for education. Do you have figures handy as to what the education budget would amount to if all programs that have maximum authorizations were funded at that level?

Dr. BELL. Our specific 1976 authorizations for all Office of Education programs—both funded and unfunded—total almost $13.6 billion. I should point out that this includes authorization for higher education under the general Education Provision Act 1 year contingent extension authority since most of the Higher Education Act itself expires on June 30, 1975. Our 1976 request, including those items under proposed legislation, totals $6.9 billion, of which $4.1 billion is against definite authorized amounts. Therefore, if all programs were funded at the maximum definite authorizations our 1976 budget would approximate $15.5 billion. I have here a table, Mr. Michel, which breaks this down by program, and which I will be happy to submit for the record.

[The table follows:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education
(Dollars in Thousands)

	1975		1976	
	Appropriation*	Authorization	Request	Authorization
Elementary and Secondary Education				
1. Grants for disadvantaged (ESEA I)........................	$ 1,876,000	$ 4,002,130	$ 1,900,000	$ 3,927,130
2. Support and innovation grants:				
(a) Consolidation program (ESEA IV-C)........................	---	---	172,888 1/	350,000
(b) Strengthening State departments of education (ESEA V):				
(1) General support, Part A........................	34,675	90,000	---	---
(2) Comprehensive planning and evaluation, Part C......	6,750	20,000	---	---
(c) Supplementary services (ESEA III)........................	101,170 2/	605,000	---	---
(d) Nutrition and health (ESEA Sec. 808)........................	900	26,000	---	---
(e) Dropout prevention (ESEA Sec.807)........................	---	33,000	---	---
3. Bilingual education:				
(a) LEA grants (ESEA VII)................................	53,370	(	46,170	(
(b) Training grants (ESEA VII)................................	21,000	(	16,730	(
(c) Curriculum development (ESEA VII)........................	7,000	(135,000	7,000	(140,000
(d) Bilingual vocational grants (VEA, Part J)..............	2,800	(	---	(
(e) Advisory council and commissioners report (ESEA VII)...	100 3/	(	100	(
Subtotal..	84,270	135,000	70,000	140,000
4. Right to Read (Ed. Amends VII)................................	12,000	53,000	12,000	109,500
5. Follow through (Comm. Serv. Act, Part B)....................	53,000	60,000	41,500	60,000
6. Educational broadcasting facilities (Comm. Act III)........	12,000	30,000	7,000	30,000**
7. Environmental education (EE Act)................................	1,900	5,000	---	10,000
Total..	2,180,665	5,059,130	2,203,388	4,626,630

* Includes the enacted appropriation plus the continuing resolution levels. Excludes the revisions proposed by the President.

** Based on 1-year extension authority.

1/ Enacted appropriation pursuant to advance funding authority.

2/ Excludes $18,830 thousand, the estimated amount used by States for guidance and counseling activities which have been merged under the Libraries and Instructional Resources Consolidation Program, and which are included under the Library Resources appropriation account.

3/ Excludes transfer of $730,000 to Office of Assistant Secretary for Education for evaluation.

OFFICE OF EDUCATION	1975 Appropriation*	1975 Authorization	1976 Request	1976 Authorization
School Assistance in Federally Affected Areas				
1. Maintenance and operations: (P.L. 874)				
(a) Payments for "A" children	223,900	228,600 3/	162,000 1/	254,886
(b) Payments for "B" children	354,616	767,000	40,000 1/	687,736 3/
(c) Special provisions	14,500	14,500	8,000 1/	18,750
(d) Payments to other Federal agencies	43,000	43,000	46,000	46,000
Subtotal	636,016	1,053,100	256,000	1,007,372
2. Construction (P.L. 815)	20,000	300,025 2/	10,000	70,000 6/
Total	656,016	1,353,125	266,000	1,077,372
Emergency School Aid				
1. Emergency School Aid Act	75,000 4/	763,507 5/	75,000	688,507 5/
2. Training and advisory services (CRA IV)	26,700	Indefinite	26,700	Indefinite
Total	101,700	763,507	101,700	688,507
Indian Education (IEA)				
1. Financial assistance to LEAs (Part A)	25,000	311,000	25,000	387,090
2. Special programs and projects (Part B)	12,000	35,000	12,000	35,000
3. Special programs for adult education (Part C)	3,000	8,000	3,000	8,000
4. Administration (GEPA)	2,034 7/	Indefinite	2,055	Indefinite
Total	42,034	354,000	42,055	430,090

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* Includes the enacted appropriation plus the continuing resolution levels. Excludes the revisions proposed by the President.

1/ Proposed for later transmittal under proposed legislation.

2/ Represents backlog of approvable projects.

3/ Includes low-rent housing children.

4/ Proposed supplemental appropriation.

5/ Represents balance of $1 billion authorization for 1974 through 1976, after prior year(s) appropriation have been subtracted out.

6/ Represents the estimate of potentially eligible new applications for 1976. The figure excludes the backlog of approvable projects, which is not possible to predict at this time.

7/ Includes $34 thousand proposed supplemental for pay raise.

OFFICE OF EDUCATION	1975		1976	
	Appropriation*	Authorization	Request	Authorization
Education for the Handicapped (EHA)				
1. State assistance:				
(a) State grant program (Part B)	100,000	666,312	100,000 1/	100,000
(b) Deaf-blind centers (Part C, Sec.622)	12,000	15,000	16,000	20,000
(c) Severely handicapped projects (Part C, Sec.624)	2,826	2/	3,250	2/
Subtotal	114,826	681,312	119,250	120,000
2. Innovation and development:				
(a) Early childhood education (Part C, Sec.623)	13,330	25,500	22,000	36,000
(b) Specific learning disabilities (Part G)	3,250	10,000	4,250	20,000
(c) Regional vocational, adult, and post-secondary programs (Part C, Sec.625)	575	1,000	2,000	Indefinite
(d) Research and demonstration (Part E, Sec.641 and 642)	9,341	15,000	11,000	20,000
Subtotal	26,496	51,500	39,250	76,000
3. Media and resource services:				
(a) Media services and captioned films (Part F)	13,000	18,000	16,000	22,000
(b) Regional resource centers (Part C, Sec.621)	7,087	12,500	9,750	18,000
(c) Recruitment and information (Part D, Sec.633)	500	500	1,000	500 3/
Subtotal	20,587	31,000	26,750	40,500
4. Special education manpower development (Part D)	37,700	45,000	39,750	52,000
Total	199,609	808,812	225,000	288,500

* Includes the enacted appropriation plus the continuing resolution levels. Excludes the revisions proposed by the President.

1/ Enacted appropriation pursuant to advance funding authority.

2/ Funds for Severely handicapped projects are requested under Part C, Section 621, however, the authority used to operate these projects is derived from Section 624 of the same part. Funding for Section 624 projects may originate in any section of Part C which has specific authorizations.

3/ Additional authorizing legislation to be proposed in the amount of $500,000.

Occupational, Vocational, and Adult Education	1975		1976	
	Appropriation*	Authorization	Request	Authorization
1. Vocational education (VEA)				
(a) Grants to States for vocational education:				
(1) Basic vocational education programs (Part B):				
(a) Annual	420,978	504,000	358,690 1/	504,000**
(b) Permanent	7,161	7,161	7,161	7,161
(2) Programs for students with special needs(Sec.102(b))	20,000	60,000	---	60,000**
(3) Consumer and homemaking education (Part F)	35,994	50,000	---	50,000**
(4) Work-study (Part H)	9,849	55,000	---	55,000**
(5) Cooperative education (Part G)	19,500	75,000	---	75,000**
(6) State advisory councils (Part A)	4,316	Indefinite	4,316 1/	Indefinite
Subtotal	517,798	751,161	370,167	751,161
(b) Vocational research:				
(1) Innovation (Part D)	16,000	75,000	160,000 1/	75,000**
(2) Curriculum development (Part I)	1,000	10,000	---	10,000**
(3) Research (Part C)	18,000	56,000	---	56,000**
Subtotal	35,000	141,000	160,000	141,000
2. Adult education (AEA)	67,500	157,500	67,500 2/	183,750
3. Education personnel (EPDA)				
(a) Teacher corps (Part B-1)	37,500	(	37,500	(
(b) Other education personnel development:		(		(
(1) Educational leadership (Part D)	---	(	3,000	(
(2) Urban/rural school development (Part D)	5,541	(	5,212	(
(3) Career opportunities (Part D)	1,784	(450,000	---	(450,000**
(4) Categorical programs)Part D)	814	(	---	(
(5) Vocational education (Part F)	9,000	(	---	(
(6) Higher education (Part E)	2,100	(	---	(
Subtotal	19,239	450,000	8,212	450,000
Total	677,037	1,499,661	643,379	1,525,911

* Includes the enacted appropriation plus the continuing resolution levels. Excludes the revisions proposed by the President.

** Based on 1-year extension authority under existing legislation.

1/ Proposed for later transmittal under proposed legislation which will consolidate existing authorities.

2/ Enacted appropriation pursuant to advance funding authority.

OFFICE OF EDUCATION	1975 Appropriation*	1975 Authorization	1976 Request	1976 Authorization
Higher Education				
1. Student Assistance:				
(a) Basic opportunity grants (HEA IV-A-1).................	66[illegible],000	Indefinite	1,050,000	Indefinite**
(b) Supplemental opportunity grants (HEAV IV-A-2)........	240,300	200,000 1/	---	200,000 1/ **
(c) Work-study (HEA IV-C).................................	300,200	420,000	250,000	420,000**
(d) Subsidized insured loans-Interest subsidies (HEA IV-B)	382,400 2/	Indefinite	452,000	Indefinite
(e) Direct loans (HEA IV-E)				
(1) Federal capital contributions..................	321,000	400,000	---	400,000**
(2) Loans to institutions..........................	2,000	Indefinite	---	Indefinite
(3) Teacher cancellations..........................	6,440	Indefinite	8,960	Indefinite
Subtotal..........................	329,440	400,000	8,960	400,000
(f) Incentive grants for State scholarships (HEA IV-A-3)..	20,000	50,000	44,000	50,000**
Subtotal..............................	1,932,340	1,070,000	1,804,960	1,070,000
2. Special programs for the disadvantaged (HEA IV-A-4).........	70,331	1[illegible]0,000	70,331	100,000**
3. Institutional assistance:				
(a) Strengthening developing institutions (HEA III):				
(1) Basic program..................................	52,000	(120,000	52,000	(120,000**
(2) Advanced program...............................	58,000	(	58,000	(
Subtotal..........................	110,000	120,[illegible]00	110,000	120,000
(b) Language training and area studies:				
(1) Centers, fellowships, and research (NDEA VI).....	11,300	75,000	8,640	[illegible]5,000**
(2) Fulbright-Hays fellowships.....................	2,700	Indefinite	1,360	Indefinite
Subtotal..........................	14,000	75,000	10,000	75,000
(c) University community services (HEA I)..................	14,250	50,000	---	50,000**
(d) Aid to land-grant colleges:				
(1) Annual appropriation (Bankhead-Jones Act).......	9,500	12,460	---	12,460
(2) Permanent appropriation (Second Morril Act).....	2,700	2,700	---	2,700
Subtotal..........................	1[illegible],200	15,160	---	15,160

* Includes the enacted appropriation plus the continuing resolution levels. Excludes the revisions proposed by the President.

** Based on 1-year extension authority under GEPA.

1/ Plus indefinite authorization for continuation awards.

2/ Includes proposed supplemental of $67,400 thousand.

OFFICE OF EDUCATION	1975 Appropriation*	1975 Authorization	1976 Request	1976 Authorization
Higher Education (cont'd)				
3. Institutional assistance: (cont'd)				
(e) State postsecondary education commissions (HEA Sec. 1203)	3,000	Indefinite	---	Indefinite**
(f) Veterans cost of instruction (HEA IV-A-5)	23,750	Indefinite	---	Indefinite**
(g) Cooperative education (HEA IV-D)	10,750	10,750	8,000	10,750**
Subtotal	187,950	270,910	128,000	270,910
4. Personnel development:				
(a) College teacher fellowships (HEA IX-B)	4,000	Indefinite	1,000	Indefinite**
(b) Fellowships for disadvantaged (HEA IX-D)	750	1,000	750	1,000**
(c) Ellender fellowships (P.L. 92-506)	500	500	500	500
(d) Public service fellowships (HEA IX A & C)	4,000	Indefinite	---	Indefinite**
(e) Mining fellowships (HEA IX D)	1,500	Indefinite	---	Indefinite**
Subtotal	10,750	1,500	2,250	1,500
5. Ethnic heritage (ESEA IX)	1,800	15,000	---	15,000
Total	2,203,171	1,452,910	2,005,541	1,457,410
Library Resources				
1. Public libraries:				
(a) Services (LSCA I)	49,155	129,675	10,000	137,150
(b) Interlibrary cooperation (LSCA III)	2,594	17,300	---	18,200
Subtotal	51,749	146,975	10,000	155,350
2. Libraries and instructional resources:				
(a) Consolidation program (ESEA IV-B)	18,830	---	137,330 2/	395,000
(b) School library resources (ESEA II)	95,250	220,000	---	---
(c) Equipment and minor remodeling (NDEA III):				
(1) Equipment grants to States	19,500		---	---
(2) State administration	2,000	(140,500	---	---
(3) Loans to nonprofit private schools	250		---	---
Subtotal	135,830	360,500	137,330	395,000

* Includes the enacted appropriation plus the continuing resolution levels. Excludes the revisions proposed by the President.

** Based on 1-year extension authority.

1/ Estimated amount used by States for guidance and counseling activities which were previously included in the Supplementary Services Program under the Elementary and Secondary Education appropriation account.

2/ Advanced appropriation enacted in fiscal year 1975.

OFFICE OF EDUCATION	1975 Appropriation*	1975 Authorization	1976 Request	1976 Authorization
Library Resources (cont'd)				
3. College library resources (HEA II-A)	9,975	70,000	---	70,000**
4. Training and demonstrations:				
(a) Librarian training (HEA II-B, Sec. 222)	2,000	30,000	---	30,000**
(b) Library demonstrations (HEA II-B, Sec. 223)	1,000		---	
Subtotal	3,000	30,000	---	30,000
5. Interlibrary cooperation and demonstrations	15,000 1/	Indefinite 1/	20,000 1/	Indefinite 1/
6. Undergraduate instructional equipment (HEA VI)	7,500	70,000	---	70,000**
Total	223,054	677,475	167,330	720,350
Innovative and Experimental Programs (Special Projects Act)				
1. Metric projects	---	---	2,090	10,000
2. Gifted and talented	---	---	2,560	12,250
3. Community schools	---	---	3,553	17,000
4. Career education	10,000	Indefinite	10,135	15,000
5. Consumer education	---	---	3,135	15,000
6. Women's educational equity	---	---	6,270	30,000
7. Arts in education programs	500	Indefinite	750	750 2/
8. Packaging and field testing	1,400	Indefinite	3,500	100,000
9. Educational TV programming	7,000	Indefinite	7,000	
Total	18,900	---	38,993	200,000

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*Includes the enacted appropriation plus the continuing resolution levels. Excludes the revisions proposed by the President.
**Based on 1-year extension authority.
1/ Proposed for later transmittal under proposed legislation.
2/ Not less than $750,000.

OFFICE OF EDUCATION	1975 Appropriation*	1975 Authorization	1976 Request	1976 Authorization
Educational Activities Overseas (Special Foreign Currency Program) P.L. 83-480	1,000	Indefinite	2,000	Indefinite
Salaries and Expenses				
1. Program administration (GEPA)	91,915[1]	Indefinite	100,684	Indefinite
2. Planning and evaluation (GEPA, Sec. 411)	6,383	25,000	9,000	25,000
3. General dissemination (GEPA, Sec. 422)	500	Indefinite	500	Indefinite
4. Advisory committees (GEPA, Part D)	1,681[2]	Indefinite	2,041	Indefinite
5. Information clearing houses	150	Indefinite	300	Indefinite
Total	100,629	25,000	112,525	25,000
Student Loan Insurance Fund (HEA IV-B)	197,600[3]	Indefinite	201,787	Indefinite
Higher Education Facilities Loan and Insurance Fund (HEA VII-C)	4,201	Indefinite	3,692	Indefinite
Total, Office of Education	6,605,636	11,998,120[4]	6,013,411	11,039,770[4]
Total appropriation against definite authorization	5,151,829	---	4,133,995	---
Special Statistical Compilations and Surveys	20	Indefinite	21	Indefinite

* Includes the enacted appropriation plus the continuing resulution levels. Excludes the rescissions proposed by the President.

[1] Includes $2,315 Shousand proposed supplemental for pay raises.

[2] Includes $30 thousand proposed supplemental for pay raises.

[3] Includes $82,000,000 proposed supplemental.

[4] Excludes indefinite authorizations.

Unfunded Program Authorizations	1975 Appropriation*	1975 Authorization	1976 Request	1976 Authorization
Law School Clinical Experience Program (HEA XI)	---		---	
Grants to Strengthen Local Educational Agencies (ESEA, Title V-B)	---	---	---	---
Research and Demonstration Projects in Correction Education Services (ESEA, Title VIII, Sec. 809)	---	Indefinite	---	Indefinite
Consumers Education Programs (ESEA, Title VIII, Sec. 811)	---	35,000	---	35,000
Clubs for Boys and Girls Interested in Science (P.L. 85-875)	---	50	---	50
Community Service and Continuing Education Programs--Special Programs and Projects Relating to Problems of the Elderly (HEA, Title I, Sec. 110)	---	Indefinite	---	Indefinite
Direct loans for vocational students (HEA IV-B, Sec. 433)	---	1,000	---	1,000
Cost of Education Payments to Institutions of Higher Education (HEA, Title IV-A-5, Sec. 419)	---	1,000,000[1/]	---	1,000,000[1/]
Work-Study for Community Service Learning Program (HEA, Title IV-C, Sec. 447)	---	50,000	---	50,000
Grants for Construction of Undergraduate Academic Facilities (HEA, Title VII-A)	---	300,000	---	300,000
Grants for Construction og Graduate Academic Facilities (HEA, Title VII-B)	---	80,000	---	80,000
Direct Loans for Construction of Academic Facilities (HEA, Title III-C)	---	200,000	---	200,000

Unfunded Program Authorizations	1975 Appropriation*	1975 Authorization	1976 Request	1976 Authorization
Networks for Knowledge (HEA, Title VIII)	---	15,000	---	15,000
Graduate Program Grants to Institutions of Higher Education (HEA, Title IX-A)	---	50,000	---	50,000
Library Construction (LSCA, Title II)	---	92,500	---	97,000
Drug Abuse Education (Alcohol and Drug Abuse Education Act)	---	160,000	---	30,000
Transfer to Department of Labor for Manpower Studies (VEA, Sec. 103(a))	---	5,000	---	5,000
Residential Vocational Education (VEA, Part E):				
Demonstration schools (Sec. 151)	---	35,000	---	35,000
State programs (Sec. 152)	---	15,000	---	15,000
Grants to reduce borrowing costs for schools and dormitories (Sec. 310)	---	30,000	---	30,000
General Assistance to Graduate Schools (HEA, Title IX F)	---	[1]	---	[1]
State Plans for Establishment and Expansion of Community Colleges (HEA, Title X-A-1)	---	15,700[2]	---	---
Establishment and Expansion of Community Colleges (HEA, Title X-A-2)	---	150,000	---	150,000
Occupational Education Programs (HEA, Title X-B)	---	500,000	---	500,000
Emergency Assistance for Institutions of Higher EDucation (Education Amendments of 1972, Title I, Sec. 122)	---	[illegible],000[2]	----	---
Special Adult Education Projects for the Elderly (Adult Education Act, Sec.310)	---	Indefinite	---	Indefinite
Older Readers Library Services (LSCA, Title IV)	---	Indefinite	---	Indefinite
Grants Programs for Advanced and Undergraduate International Studies (Int. Ed. Act)	---	40,000	---	40,000
TOTAL OFFICE OF EDUCATION	6,605,636		6,013,411	
APPROPRIATION AGAINST DEFINITE AUTHORIZATION	5,151,829	14,812,370[3]	4,133,995	13,572,820[3]

[1] Total limitation of $1,000,000,000 applies to both cost of Education Payments (HEA IV-A-5,Sec.419), and General Assistance to Graduate Schools(HEA IX-F)

[2] Total amount authorized for fiscal years 1972 through 1974. 1975 amount reflects 1-year CEPA contingent extension.

[3] Excludes indefinite authorizations.

FRIDAY, MARCH 7, 1975.

ELEMENTARY AND SECONDARY EDUCATION

WITNESSES

ROBERT R. WHEELER, ACTING DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS

DR. T. H. BELL, COMMISSIONER OF EDUCATION

JOHN H. RODRIGUEZ, ASSOCIATE COMMISSIONER FOR COMPENSATORY EDUCATIONAL PROGRAMS

THOMAS J. BURNS, ACTING ASSOCIATE COMMISSIONER FOR STATE AND LOCAL EDUCATIONAL PROGRAMS

DR. RUTH L. HOLLOWAY, DIRECTOR, RIGHT TO READ PROGRAM

MRS. GENEVIEVE O. DANE, CHIEF, PROGRAM OPERATIONS BRANCH, DIVISION OF EDUCATION FOR THE DISADVANTAGED

JOHN C. MOLINA, DIRECTOR, DIVISION OF BILINGUAL EDUCATION

MRS. CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. Elementary and secondary education—the presentation wil be made by Robert R. Wheeler, the Acting Deputy Commissioner for School Systems. We have your biographical sketch which will be placed in the record.

(The information follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF EDUCATION

BIOGRAPHICAL SKETCH

Name: Robert R. Wheeler

Position: Acting Deputy Commissioner for School Systems.

Birthplace and date: Omaha, Nebr., April 10, 1921.

Education: Undergraduate degree, Lincoln University, Jefferson City, Missouri; Master of Science degree, Columbia University, New York, in the field of Guidance and Counseling; Additional graduate work in the field of Educational Psychology, Guidance and Counseling and Educational Administration: University of Kansas City, University of Kansas, and University of California at Berkeley; Honorary Doctor of Laws Degree—Lincoln University.

Experience

Present: Acting Deputy Commissioner for School Systems, U.S. Office of Education.

1972–74: Associate Commissioner for Elementary and Secondary Education, U.S. Office of Education.

1966–71: Assistant Superintendent, Division of Urban Education, Kansas City, Missouri Schools.

1965–66: Director of Urban Special Services, Oakland, Calif., School District.

1963–64: Director of Special Scholarships, Kansas City Schools.

1962: Vice Principal, Kansas City Schools.

1956–67: Counselor, Kansas City Schools.

1955: Teacher, Kansas City Schools.

Association memberships

Vice President, Missouri Council on Education.

Member: Executive Committee, Kansas City Chapter of Missouri; Association for Social Welfare; American Association of School Administrators; Missouri Association of School Administrators; National Education Association; Missouri Education Association; Education Council, Chamber of Commerce; National Panel, American Arbitration Association; Rotary Club of Kansas City, Missouri; Theta Poule, Sigma Pi Phi Fraternity; Steering Committee, Y.M.C.A.

GENERAL STATEMENT

Mr. FLOOD. Please proceed, Mr. Wheeler.

Mr. WHEELER. Mr. Chairman and members of the committee, we appreciate the opportunity to present the appropriation request of $2,203,388,000 for elementary and secondary education. This request includes $1,900,000,000 to further our equal education opportunity goal and over $120,000,000 in efforts to build the capacity of the States and local education agencies to offer effective educational programs.

Of the total requested $2,072,888,000 is advance funding for fiscal year 1977, the same level as appropriated in fiscal year 1975 for 1976. The balance of the request—$130,500,000 is for fiscal year 1976.

The $2,072,888,000 requested for advance funding for fiscal year 1977 will provide support for grants for the disadvantaged authorized by title I of the Elementary and Secondary Eduaction Act, as amended and for Support and Innovation authorized under title IV—part C of Public Law 93–380.

The request for fiscal year 1976 of $130,500,000 will provide support for four activities—the bilingual education program authorized by title VII of the Elementary and Secondary Education Act, right to read program authorized by title VII of the Education Amendments of 1974, the Follow Through progarm authorized by the Head Start-Follow Through Act and Educational Broadcasting Facilities authorized by part IV, title III of the Communications Act of 1934.

No funds are being requested for Environmental Education in 1976 since the goal of this program was to stimulate non-Federal efforts rather than directly provide services. Now State and local educational agencies should assume a greater share of responsibility for these programs.

DISADVANTAGED GRANTS AND RELATED STUDIES

The 1975 appropriation of $1.9 billion for title I for school year 1975–76, placed this program on an advance funded basis for the first time. The 1976 request of $1.9 billion would fund school year 1976–77.

This level of funding in 1977 will provide compensatory educational services to over 5.6 million children in local school districts, including Bureau of Indian Affairs schools, and over 900,000 children in State agency schools.

Under part A, grants to local educational agencies will continue to be spent for the special educational needs of educationally deprived public and nonpublic school children living in low-income areas, institutionalized and delinquent children supported by LEA's and Indian children in Bureau of Indian Affairs schools. The funds will be concentrated upon schools most heavily impacted with children from low-income families. Support will also be provided through State-administered programs for migrant, neglected and delinquent and handicapped children.

Part B provides special incentive grants to those States whose effort index—a figure developed by dividing expenditures for education by total personal income—is greater than the national effort index. The States make these funds available for innovative projects to those local school districts with above-average effort indexes which have the greatest need for assistance. No State is entitled to more than 15 percent of the total amount available for this part. An amount of $23 million is requested for this purpose.

As authorized by section 151 of Public Law 93–380, 0.5 percent of the funds appropriated for title I, an estimated $9.5 million will be used for evaluation of the program and other studies. An amount of $5 million of these funds as specified under the law will be transferred to the National Institute of Education.

SUPPORT AND INNOVATION

The amount of $172,888,000 is requested on an advance funding basis for fiscal year 1977 for support and innovation programs for school year 1976–77. This is the same amount that was appropriated in 1975 to fund school year 1975–76. This is the first year in which all of the funds will be available for the consolidated purposes of the act. Funds appropriated for this activity will be available for expenditure according to the State's annual program plan in accordance with State priorities. This plan will provide an opportunity whereby a State can shift the emphasis on the programs it operates according to its own needs assessment.

States will continue to support programs to strengthen State departments of education, local projects for supplementary educational services, demonstration projects to improve nutrition and health services, and projects designed to reduce the number of children from low-income families who fail to complete secondary school. The level of support for each of these activities within this program will be determined by the State. As required by Public Law 93–380 15 percent of the funds appropriated will be used for programs for handicapped children. Also, as required, equitable opportunities will be provided for children in private, nonprofit elementary and secondary schools.

BILINGUAL EDUCATION

The $70 million requested in fiscal year 1976 is the same as the revised 1975 request. With these funds we will continue to focus on the capacity-building role of the Federal Government in bilingual education which was initiated in 1975 in response to the 1974 Supreme Court decision on *Lau* v. *Nichols*. That decision affirmed the responsibility of local educational agencies to develop appropriate programs to ensure equal educational opportunity for students of limited or non-English-speaking ability.

Of the total requested, $46.9 million will be used to support approximately 289 classroom demonstration projects, including up to 40 new demonstrations, providing bilingual education instruction in 42 languages including 23 native-American languages. As required by law, an amount of $16 million or nearly 23 percent of the request will be targeted on teacher-training components to increase the number of trained bilingual educational personnel directly involved with teaching children at the local level. In addition, $7 million of the amount requested will be used for materials development, assessment and dissemination activities and $100,000 for support of the Bilingual Education Advisory Council.

Funds appropriated in fiscal year 1976 will forward fund projects to be carried out during school year 1967–77.

RIGHT-TO-READ

For the Right-to-Read program, we are requesting an amount of $12 million in order to help eliminate functional illiteracy by providing facilitative services and resources to stimulate educational institutions, governmental agencies, and private organizations to improve and expand their activities related to reading. In fiscal year 1975 the Right-to-Read program is authorized under the Cooperative Research Act. Beginning in fiscal year 1976, the program is authorized by title VII of the Education Amendments of 1974, which provides for a national reading improvement program.

The budget request will provide support for activities to strengthen reading instruction programs and language arts programs for elementary and preschool children; determine the effectiveness of intensive instruction by reading specialists and reading teachers; and furnish reading assistance and instruction to out-of-school youth and adults in community-based reading academies.

FOLLOW THROUGH

Follow Through is an experimental program designed to develop and test effective ways of educating disadvantaged children in the early primary grades (K–3). Twenty-two educational institutions developing different approaches and 169 projects testing these approaches comprise this experiment together with evaluations of those approaches.

A total of $41.5 million is being requested for this program in fiscal year 1976, of which $9,792,000 will support activities in school year 1975–76 and $31,708,000 will forward fund activities in school year 1976–77. This request is $5.5 million less than the revised request of $47 million for fiscal year 1975 and reflects the planned phaseout whereby school year 1976–77 will be the 2d year of the scheduled 3-year program phaseout. Grades 1–3 will receive Federal support for school year 1975–76, and grades 2–3 will receive Federal support for school year 1976–77. In accordance with phaseout, reductions will be made in most program components with the exception of costs for evaluation in the next-to-last year of program operation. Support for that part of the program will be increased in order to complete the national longitudinal evaluation and to conduct a cost study and 4th grade followup evaluation to assess effectiveness of the various models.

EDUCATIONAL BROADCASTING FACILITIES

The educational broadcasting facilities activity is designed to improve and extend the delivery of educational programs through the use of technology-based systems.

An amount of $7 million is requested for this activity in fiscal year 1976 the same amount as the 1975 revised request. New legislation is proposed to extend the program for 5 years.

The funds requested will assist in the improvement and expansion of 10 educational television stations and 7 radio stations. Support will also be given to help activate 3 new educational television noncommercial stations and 6 new noncommercial radio stations. This will provide educational television coverage to about 81 percent of the population and educational radio coverage to nearly 68 percent.

My associates and I will be happy to answer any questions you may have.

APPROPRIATIONS FOR TITLE I

Mr. FLOOD. As I recall the title I program was first funded in 1966. How much has been appropriated, the total for title I up through and including fiscal 1975?

Mr. WHEELER. It is about $16 billion, I think.

Mr. FLOOD. Will you settle for $16.1?

Mrs. BEEBE. That is correct.

Mr. FLOOD. That is a lot of money even for the Appropriations Committee.

Well, do you think that has been a good investment, and, if it is, why? I don't know how many times you have invested $16 billion, but what about it?

Mr. WHEELER. My response to that is an unequivocal yes, and I say that knowing that when we have to demonstrate through research and evaluation methods, and that when we look at the total picture that the results are indifferent. But nevertheless, what this has accomplished, which is just as important, is to turn the attention of the Nation's educators toward the plight of disadvantaged children, who, until the enactment of the ESEA in 1965, had gotten only incidental attention.

We had not paid attention to the special kind of educational needs which they had. Since the enactment, we have begun to look at the differences in these children and how we should modify the educational program. I think we are gaining insights. I also think that the educational plight of these children is better now than it was prior to 1965.

Mr. FLOOD. I think you should expand on that.

Mr. WHEELER. "Title I is the mouse that caused the elephant to change his path." This is not a farfetched assertion when one stops to realize that of more than $15 billion a year spent on elementary and secondary education, less than 5 percent comes from title I. Yet the title I presence has caused profound changes at every level of elementary and secondary education as well as in the fabric of society itself.

First, the law proclaims that educationally disadvantaged children are deserving of special assistance and that, by virtue of the financial aid they receive, the schools will be held responsible for the amelioration of this disadvantagement. This single act shifted more responsibility onto the schools for how children benefited from the time they spent there than was traditionally so and helped to remove the onus on children who were not doing well. Then too, this emphasis has helped to spawn the growing accountability movement in education.

Second, the law suggests that there is a rational process by which funds should be utilized: the needs of children should be systematically assessed and programs should be especially developed for those most in need. This implies a logical sequence of steps to be followed in determining the nature and content of the curriculum—a logic that was not always apparent in the operation of schools prior to the passage of title I and a logic against which it would be difficult to argue that it would not result in better services.

Third, the evaluation requirements of title I have helped to create a national concern for the benefits that children derive from their years of schooling and for the costs of these efforts—a concern that was seldom evident prior to the passage of title I.

Fourth, through its emphasis on parental involvement and the use of parent advisory councils, the program has helped to open education up to its clients and especially to the poor whose participation in the decisions that affected their children were often conspicuously absent.

These are only four aspects of the program out of many that might be emphasized. Nevertheless, they help to characterize the overarching "social effects" of the program—more dignity for children who experience difficulty with traditional academic fare, more responsibility for the schools in helping them, more concern for the benefits children derive from the schools' efforts and, more concern for the opinions of the clients of education. These "social effects" coupled with what we currently know of the operation of the program (viz. the funds tend to reach schools with the highest concentrations of economically disadvantaged students which also tend to have the highest concentrations of educationally disadvantaged students; the most educationally needy students in such schools are served; and, there is an increasing incidence of achievement benefits from such participation) indicate that this investment in our "human capital" was not only humane but sound as well.

TITLE I EVALUATION

Mr. FLOOD. Over the years, there have been a lot of evaluations of title I. Now, in general, do these evaluations show that the program is working, or do they just show you need more evaluations, or what? Is the program working?

Mr. WHEELER. Mr. Chairman, the evaluations don't show we are reaching our fundamental goal, when we interpret the intention of the Congress in enacting the law which involves title I. The Congress had in mind that these children were not achieving in a way that was commensurate with their ability. Our evaluations show when we look at the total picture, and look at the 6 million children who are involved in title I, we have had achievement advances, but the statistical measure, the mean, which is the most convincing, is a very difficult statistic to move when we are looking at this large a population.

Nevertheless, we can show you programs which have changed the traditional kinds of educational careers that children in poverty ordinarily had; that is, the traditional kind of educational deficit they showed which meant we were not taking advantage of their abilities in our traditional educational system. We have enough of those programs to show that if we continue to improve the administration of this program, and that if we continue it long enough, that we will finally solve this problem.

Mr. FLOOD. How many evaluations of title I do you have going on at the present time?

Dr. EVANS. The fact is that there are many evaluations, as you say, but to say there is a plethora of evaluations of title I is not correct when we define evaluation as a useful study of the effectiveness of this program.

As I indicated in answer to Mr. Obey's question, the States, under requirement of the original title I law, have in fact carried out a lot of activities that go under the rubric of evaluation. We have collected and analyzed those and developed a report on them which has been submitted to your committee and others in the Congress.

The results of that report indicated that for the most part, those early State evaluations were generally defective and questionable as to whether they could be used to indicate the effectiveness of the program.

And as I also said to Mr. Obey, there are some tentative indications that the quality of those evaluations are improving, and the results from them are now happily somewhat more favorable. But in the meantime, we in the Office of Education have undertaken a major national evaluation, where we have gone out, under contract, and administered achievement tests to children in title I programs both at the beginning and the end of the year. We will have the results from that study to present to this committee in a few months.

Mr. FLOOD. The reason I asked that question, on page 327 of your justifications, this indicates there are at least four of them that are underway at the present time.

Dr. EVANS. We will comment and clarify what those are.

[The information follows:]

There are currently six evaluation studies of title I being conducted by OE most of which fall within the mandate of Public Law 93-380. Two of these are concerned with the development of improved title I evaluation and reporting practices at the State and local levels and of the technical assistance they would need to implement such practices. Two other studies focus on the effectiveness of programs for children of migratory agricultural workers and on neglected or delinquent children funded by title I. A fifth multiyear study, just nearing completion, examined the effectiveness of compensatory reading programs. Preliminary results indicate that educationally disadvantaged children do benefit from the compensatory assistance they receive and achieve at a greater rate than would be expected on the basis of our past experience. However, for reasons that are not well understood, gains from compensatory assistance are not sustained once assistance is discontinued; for example, over the summer months and subsequent years. As a consequence of such results, we are initiating a study in fiscal year 1975 using title I set-aside funds made available under Public Law 93-380, to examine just why such gains are not sustained and if there are particular sequences of compensatory programs that will raise disadvantaged children's skills in the early years of schooling—for example, grades 1 to 4—and keep them up in their later years; for example, grades 5 to 9. Finally, we are planning a study to be conducted in fiscal year 1976 of the utilization and effects of parent advisory councils as required by the new title legislation.

Mr. WHEELER. Mr. Chairman, before we go further with that, because the questions you ask about the success of title I are extremely important in our view, we can give you that information that you asked for for the record, but could we also supply to you for the record some information which would show how we have shifted the concentration of funds within title I to move toward the basic goal?

Mr. FLOOD. You do that.

[The information follows:]

TITLE I, ELEMENTARY AND SECONDARY EDUCATION ACT—USES OF FUNDS

[Amount in percent]

	Fiscal year 1966	Fiscal year 1975
Instructional costs	52	81
Health services	2	2
Equipment	21	2
Construction	10	1
Administration	3	6
All other	12	8

NEW TITLE I LEGISLATION

Mr. FLOOD. Now, of course, there is a new title I law—here we go again—and it is in effect this year. Can you give us some idea how that is working? Let's begin at the beginning. Are the school districts happy with it?

Dr. BELL. The new law requires the Commissioner to develop models and requires the States and locals to use them. The new law has very strong language on evaluation and very directed language that I think will strengthen our hands with the States and the locals.

Mr. FLOOD. The last part of my question may come first, are the school districts happy with this?

Mr. WHEELER. I can answer the question in this way. Whenever we get extensive evaluation studies, that activity has to go forward in the school district, and it also constitutes an extra burden. The school districts are as anxious as we are to isolate information that will be useful to us. My answer would be they don't mind it when the proper kind of resources are provided to them to finance it. So long as it doesn't give them budget problems, they are, for the most part, not negative in their response to it.

Sometimes they think the kind of instrument we use is not the proper kind of instrument, but when we work that out with them, they are cooperative.

We reviewed the new legislation with the State title I coordinators last fall. Neither at that time nor since did we hear specific objections to the new legislation. Some of the provisions which they thought might create problems in implementation were the selection of school advisory councils for small schools in small school districts (the notice of proposed rulemaking will take care of this by not requiring both school and district councils if the combined enrollment of the title I schools is less than 1,000); interpretation of "parents of children to be served" and "selected by parents in each school attendance area;" use of the "excess cost" content (a) as a way of looking at "supplement and not supplant" and (b) in authorizing exclusions of certain State and local funds from comparability; and preventing the use of title I funds for "the training of teachers" in ways that do more for teachers than for title I children.

The Notice of Proposed Rulemaking deals with items 2, 3, and 4 as well as item 1. Discussions at our forthcoming regional meetings will indicate whether the State administrators now have any major concerns in these areas.

Indirectly, we may infer that some States and local administrators regret that the legislation did not: increase the amounts available for State administration in order to cover the costs of expanded State responsibilities; modify the comparability requirements by amending section 141(a)(3) of title I rather than through the "excess cost" definition in an amendment to Public Law 81–874.

CHANGES IN TITLE I

Mr. FLOOD. For the record, please summarize the major changes in title I law. Take your time on that.

[The information follows:]

The major changes in title I of the ESEA brought about by Public Law 93–380 are as follows:

1. The basic formula for distribution of funds to LEA's under part A was modified in the following manner:

The so-called Orshansky or Federal poverty measure was substituted for the flat-rate family low-income factor used in the original law ($2,000). The new formula recognizes that a large family at a certain income level is poorer than a small one of the same income level and uses a variable income measure of poverty based on family size. It also varies the poverty level by farm-nonfarm residence and sex of the head of the household.

The AFDC portion of the formula was restricted by allowing a count of only two-thirds of the children in families receiving AFDC payments above the poverty level. In this case the formula also uses an annual updated Orshansky level which will restrict any proportional growth of the AFDC portion. To illustrate, the Orshansky level for a nonfarm family of four in the 1970 census was approximately $3,750 whereas the updated level for this year is approximately $4,250. Even with rising levels of welfare payments the court for AFDC should be held relatively constant.

The payment rate has also been modified to use 40 percent of each State's average current expenditure per child. The old formula used 50 percent of the State or Federal average, whichever was higher. The new formula does provide a floor for the low expenditure States which is 80 percent of the national average expenditure, but it also places a ceiling of 120 percent of the national average expenditure on the higher expenditure States. The ceiling is new.

A new "hold-harmless" was provided to assure that no LEA received less than 85 percent of its previous year's allocation.

2. The State agency distributions for handicapped, migrant, and neglected and delinquent children retained its first priority distribution—fully funded off the top—but the count would be paid at the 40 percent of State average expenditure rate (with the 80 percent and 120 percent of national average floor and ceiling) instead of the old 50 percent. State agencies were provided a separate "hold-harmless" of their fiscal year 1974 allocations.

3. The part B distribution formula for incentive grants, was retained unchanged, but an authorization ceiling of $50 million was established.

4. Part C, special grants to areas with high concentration of poor children was modified for fiscal year 1975, but was repealed effective July 1, 1975.

5. The Commissioner of Education is enabled to use up to one-half of 1 percent of title I appropriation to conduct evaluations of the program, thus responding to a long-held concern by Congress as to the effect of compensatory education. The Commissioner is required to set standards and develop models which the States and local education agencies can use in conducting their own evaluation activities, and to provide technical assistance where necessary. He is also called upon to submit reports to the authorizing and appropriations committees as well as to the Congress as a whole, and to develop a system for identifying exemplary programs and projects and disseminating information about them.

6. School districts are now required to establish two kinds of advisory councils—one districtwide and one for each title I school—composed of members selected by parents, with a majority of such members also being parents of the children to be served. Previously a single districtwide council was required.

7. Encouragement is given to the development, where feasible, of an individualized written educational plan for each child participating in the ESEA title I program.

8. Assurance is given that any school designated a title I school may retain that designation for a minimum of 3 years, so as to provide greater program continuity.

9. Experimentation is allowed in up to 20 school districts toward developing measures other than poverty to identify schools with concentrations of educationally deprived children. Such districts must have the approval of their districtwide advisory councils and must be participants in a compensatory education study to be conducted by the National Institute of Education.

10. Requirements are strengthened for the participation of nonpublic school children by adding a "bypass" provision which requires the Commissioner to directly arrange services for such children in districts that have substantially failed to do so on their own. This "bypass" occurs only after appropriate hearings and a review have been conducted and would be financed by funds taken from the districts allocations.

11. In the case of the State agency programs covering migrant youngsters, children of migratory fishermen are added to the eligible category, and use of the migrant student record transfer system is authorized for fund allocation purposes.

12. Finally, Puerto Rico is treated as a State rather than an outlying territory, with substantial increases in fund allocations scheduled to take place beginning in fiscal year 1976.

DATA-GATHERING PROBLEMS

Mr. Flood. Do you have any problems or trouble getting the data you need for these State-county allocations?

Dr. Bell. We are having difficulty with that.

Mr. Wheeler. We do have some difficulty, Mr. Chairman. Probably the major difficulty is that the statute charges the Commissioner with carrying out a responsibility which up to this time we have not been able to do. Essentially what they want is for us to count eligible children by school district. We will be conducting that kind of study—first a survey and then that study—because it is mandated by the law and the resources is there to do it. We have had difficulty up to now, and this should help us.

[The following additional information was provided:]

States do have some problems in making subcounty allocations to local school districts because census data on children in poverty families are not available on a school district basis. Census data are available only by county and major civil subdivision. The Office of Education, in cooperation with the Bureau of the Census, attempted to distribute the census count of children from "poverty" families by school district for use by the States in making subcounty allocations. This effort was successful only in a limited way because census data were not distributed by school districts whose enrollments are under 300. Census data were also statistically assigned to school districts based on an assumption that poverty families are evenly distributed throughout geographic areas. This assumption is not valid because poverty families are not distributed evenly in any given geographic area since poverty families constitute pockets.

States where school district boundaries have no relation to county boundaries have additional problems. In some States school district boundaries may cross as many as six county lines. As a result, 11 States have resorted to a statewide allocation procedure rather than suballocating the county amounts furnished by the Office of Education.

TITLE I PARTICIPANTS

Mr. Flood. You indicate there are about 5.2 million children participating in title I?

Mr. Wheeler. Yes, sir.

Mr. Flood. Do you know how many are eligible?

Mr. Wheeler. About 16 million.

Mr. Flood. We understood 2 years ago—just 2 years ago—there were 6.2 million children in title I programs in the local school districts. That is a million more than you are now estimating for us. I know both of you have talked about this business of concentrating the funds, but how would that explain such a large decline? What happened?

Mr. WHEELER. That reflects, Mr. Chairman, the administrative position that we took with respect to the concentration of funds.

Mr. FLOOD. What?

Mr. WHEELER. With respect to the concentration of money on these students what we said was that we had to have a larger per capita expenditure so that the educational activities would have a better effect and we would have a more intensive educational program directed toward these children who are participating.

The average per capita expenditure at the time that we began this administrative thrust, if I recall correctly, was about $160, and now the per capita expenditure is about $220.

ADVANCE APPROPRIATIONS FOR TITLE I

Mr. FLOOD. In the 1975 supplemental appropriation bill, Congress, you will remember, provided the advance funding for the next school year. We have been worrying about that for years. Everybody talked about that. In this committee we hope this year, you know, to bring out a separate appropriation bill for education. We did that twice, in fiscal years 1971 and 1972. The reason we couldn't do it since then is because the authorizing legislation expired, and was not reviewed until after the fiscal year had begun. We had no law. We can't act without a law.

But we want to do that, and we hope to do it this year, and we think we can.

When will the States, and, of course, the local school districts, be notified about their allocations for next year? We provided the advance funding last year in the supplemental appropriation bill. When will the money be allocated?

Mr. WHEELER. Mr. Chairman, our goal is to notify the States about the allocations by July 1. We are very much appreciative of the work this committee has done, both in getting the legislation which makes advance funding possible and in giving us——

Mr. FLOOD. I married a schoolteacher. I get this day and night.

Mr. WHEELER. I am not surprised, but in any case, I think that has been one of the most important developments during the last year, and, as I have said, the work of this committee, will be appreciated by the educational community.

Mrs. BEEBE. May I amplify a moment? In the consolidation we will be able to make the awards to the States 12 months in advance, and the handicapped also. In the case of title I, you asked earlier what kind of data problems we are having; I would like to supply for the record the kinds of data problems we have. But we do anticipate having some problems in making the title I allocations earlier in the fiscal year, and primarily this has to do with getting accurate counts from the State education agencies in order to know how much to allocate off the top for the State program.

We do have some problems in that area, and we might not be able to make the title I allocations as early as the other advance funded programs.

(The information follows:)

In order to make title I allocations, data on formula children and per pupil expenditures must be updated annually. The statute requires that the State agency programs be funded at their maximum authorizations and these amounts must be computed before the amount available for grants to local educational agencies can be determined. Maximum grants for local educational agencies must be determined before such grants can be ratably reduced to the amount available for distribution (appropriation less the amount required to fund the State agency programs at their maximum authorization).

The data to be collected, from whom and the deadline dates established are listed below:

Data collected	From whom	Deadline date
1. Children in families receiving AFDC payments in excess of poverty amount for a non-farm family of 4 by county as of January 1975.	County welfare offices through social and rehabilitation services, DHEW.	Mar. 31, 1975
2. Foster children supported with public funds as of January 1975 by county.	Welfare agencies through social and rehabilitation services, DHEW.	Do.
3. Neglected and delinquent children in local institutions as of January 1975.	Local institutions through State departments of education.	Do.
4. Average daily attendance of neglected and delinquent children in State supported or operated schools.	State agencies responsible for education of institutionalized children through State departments of education.	Mar. 15, 1975
5. Estimated number of migrant children of migrant agricultural workers and migrant fishermen.	Migrant record transfer system	Apr. 15, 1975
6. Average daily attendance of handicapped children in State operated or supported schools and number of children who transfer from State programs to local programs.	State agencies responsible for education of handicapped children through State departments of education.	Apr. 1, 1975
7. Expenditures for education 1973/74 school year	State departments of education compile data from their school districts and submit total State data to OE.	Apr. 30, 1975

The statute authorizes the use of the latest available data if current data cannot be collected by April 1 or in time to make allocations by July 1. Past experience has shown that data are received after April 1. For example, in fiscal year 1974 the data were complete on the dates as shown below:

1. AFDC	July 1973.
2. Foster	July 1973.
3. Local N. & D.	June 1973.
4. ADA for State-operated N. & D.	June 1973.
5. Migrants	August 1973.
6. Handicapped	August 1973.
7. State per pupil expenditure	August 1973.

CUTBACK IN TITLE I GRANTS TO LOCAL SCHOOL DISTRICTS

Mr. Flood. In this budget you are asking for $1.9 billion for title I—and, by the way, that is the same as the amount appropriated for the previous year. But I notice that despite that the grants to the local school districts will decline about $69 million. Why is there a cutback in those grants?

Mr. Wheeler. Well, that $69 million, Mr. Chairman, is related to the increased cost in the other parts of title I besides the grants to the local educational agencies. For instance, we will have more migrant children participating.

Mr. Flood. Why didn't you ask for additional funding to carry out the law? There is a law. Why didn't you ask for more money to carry out the law instead of cutting back the grants in the local school district?

Mr. Wheeler. You know the law also provides for 85 percent hold-harmless, which we are going to carry through.

Mr. Flood. I am not criticizing you; I am asking a question. That is my job.

Mr. WHEELER. We think that this shift in expenditures under the total title will not have a significant effect with respect to the educational activity the local educational agencies have to carry out.

Mr. FLOOD. Is there a way to prevent that cutback other than by simply adding funds? Is there any way?

Mrs. BEEBE. Through appropriation language. We could require that the State programs be funded in the same way as the LEA or put a hold-harmless in there.

Mr. FLOOD. That is an important answer. Do you want to expand on that for the record?

Mrs. BEEBE. I would be happy to.

[The information follows:]

There are several alternatives which could be considered for incorporation in appropriation language:

1. The appropriation could be restricted to funding part A grants only. Each of the State agency programs could be held at the level of their 1976 allocations.

The amount for grants for local school districts would be distributed by county according to the formula. Some redistribution of the funds among school districts would occur. However, no school district would receive less than 85 percent of its 1976 allocation in accordance with the statute. (This would be true regardless of the amount available for grants to LEA's under any alternative.)

2. The appropriation could be restricted to funding part A grants only.

The increase in each of the State agency programs could be restricted to not more than a stated percentage increase over 1976.

Each State, agency, of course, would receive no less than it received in 1976 in accordance with the title I formula.

3. Since the appropriation request for fiscal year 1977 is for $1.9 billion, the same amount which is available for fiscal year 1976, the amounts could be held constant for each of the programs under part A, for part B, State administration, evaluation and studies.

4. The appropriation could be restricted to funding part A grants only. This would make up $33 million of the estimated reduction of $69,462,000, for grants to local educational agencies.

STATE TABULATION OF GRANTS TO LOCAL SCHOOL DISTRICTS

Mr. FLOOD. Also for the record, insert a State-by-State tabulation of the grants to these local educational agencies, all of them, for 1974, 1975, 1976, and since we are using the term "advance funding," since that is the term we are using now, for 1977.

[The information follows:]

Elementary and Secondary Education State Tables   Insert p. 114
Title I - Local Educational Agencies

	1974	1975	1976	1977 1/
	$1,446,152,668	$1,587,168,967	$1,637,457,978	$1,625,206,508
Alabama	34,549,166	40,339,739	42,037,094	41,844,029
Alaska	2,898,078	3,225,765	3,329,081	3,291,949
Arizona	8,221,631	13,383,262	13,938,790	13,823,463
Arkansas	20,963,618	22,990,111	23,947,872	23,827,009
California	121,348,148	128,062,203	133,493,056	132,332,519
Colorado	10,933,510	13,504,183	14,107,411	13,973,663
Connecticut	14,097,517	13,831,739	14,446,138	14,328,575
Delaware	2,323,748	3,9[illegible],756	4,173,038	4,135,952
Florida	35,292,847	47,884,074	49,831,960	49,633,007
Georgia	40,573,812	44,014,035	45,550,986	45,257,033
Hawaii	4,106,552	4,692,480	4,885,731	4,858,145
Idaho	2,719,220	3,693,052	3,859,102	3,839,272
Illinois	77,366,803	84,060,763	87,633,607	86,970,605
Indiana	18,773,419	21,072,822	21,684,599	21,581,401
Iowa	14,601,661	14,661,224	14,638,407	14,436,223
Kansas	9,631,973	11,747,773	12,187,975	12,125,553
Kentucky	32,212,788	31,939,341	3[illegible],493,846	32,274,126
Louisiana	31,372,489	47,145,448	49,295,061	48,706,334
Maine	5,041,269	5,727,207	5,934,257	5,907,003
Maryland	22,681,512	26,786,951	27,870,009	27,590,530
Massachusetts	28,106,284	30,292,790	31,632,454	31,327,327
Michigan	58,912,993	63,645,083	66,488,312	66,140,245
Minnesota	20,497,155	25,155,468	26,239,192	26,032,563
Mississippi	35,922,628	38,543,845	40,212,355	40,027,671
Missouri	23,367,302	28,641,389	29,678,675	29,367,262
Montana	2,863,542	4,500,975	4,676,108	4,648,038
Nebraska	7,187,330	8,337,465	8,482,953	8,417,284
Nevada	1,108,179	1,951,085	1,992,844	1,971,245
New Hampshire	2,273,895	2,743,951	2,856,890	2,844,326
New Jersey	52,903,906	47,673,165	48,877,232	48,566,945
New Mexico	7,393,185	12,028,757	12,555,344	12,426,044
New York	218,024,439	191,866,701	179,107,642	177,500,836
North Carolina	31,556,663	47,964,045	48,507,975	48,198,168
North Dakota	4,101,267	4,377,310	4,499,314	4,434,546
Ohio	45,280,413	50,025,141	50,168,718	[illegible],791,516
Oklahoma	16,649,246	18,586,708	19,385,352	19,296,320
Oregon	8,709,633	13,065,139	13,605,517	13,501,107
Pennsylvania	69,643,082	78,521,519	81,806,760	81,161,761
Rhode Island	5,032,119	5,852,170	6,097,028	6,050,239
South Carolina	29,853,231	30,882,029	31,947,006	31,776,774
South Dakota	5,470,551	5,677,623	5,721,509	5,638,139
Tennessee	31,273,191	36,592,586	37,912,709	37,683,542
Texas	87,673,754	94,397,530	98,528,635	98,062,122
Utah	3,462,187	5,089,990	5,322,770	5,297,064
Vermont	2,093,557	2,793,655	2,910,160	2,890,225
Virginia	31,322,692	35,346,213	36,316,445	36,303,082
Washington	15,134,927	18,740,912	19,540,478	19,389,529
West Virginia	17,319,813	16,348,525	16,680,338	16,585,841
Wisconsin	18,709,456	24,647,752	25,701,844	25,453,066
Wyoming	1,186,384	2,049,328	2,138,885	2,117,033
District of Columbia	11,194,811	9,670,073	10,117,980	10,053,748
American Samoa	360,065	383,440	384,495	384,456
Guam	952,825	1,015,694	1,020,061	1,014,795
Puerto Rico	30,296,832	27,366,9[illegible]6	41,277,391	40,583,128
Trust Territory	1,152,995	1,219,150	1,224,394	1,224,475
Virgin Islands	608,857	647,470	649,325	649,259
BIA	16,688,298	17,567,233	17,642,066	17,640,396

1/ The authorization for Part B expires at the end of FY 1975.

PART B INCENTIVE GRANTS

Mr. FLOOD. I note that the budget for part B incentive grants is $33 million. That is double the previous year amount, at least double. Why is there such a large increase in this program?

Mr. RODRIGUEZ. In the part B, special incentive grants in the two prior year appropriation acts limited or restricted the amounts available for part B. The application of part B formula in the 1976 request is in accordance with the statute. In 1975, the appropriation language restricted it to $16 million-plus, and the straight application of the formula in 1976 without such restrictive language would bring it to $33 million.

Mr. FLOOD. Do you think this program really acts as an incentive to the States?

Mr. RODRIGUEZ. Yes, I certainly do. It does to the extent that it provides to those LEA's that are making a special effort with the additional funds to conduct the programs that they feel necessary for the children.

Dr. BELL. I might ask, Mr. Chairman, for Genevieve Dane to respond because she may have a different view from that you have heard. She has worked with this program for years.

Mrs. DANE. This is another approach to your question. The part B grants are dependent upon the relationships between expenditures for education and personal income in the State. It is not likely that $16 million distributed nationwide would cause any State to increase that effort for education. It would cost them more to put in than they would ever get back.

Mr. FLOOD. They are not going to get carried away, are they?

Mrs. DANE. Not likely.

Mr. WHEELER. I do want to point out that what Mrs. Dane says is true, but what Dr. Rodriguez says is also true. Those grants, once they reach the States, are made to the school districts usually who are showing some extra efforts, and therefore with respect to the disadvantaged it gives them extra resources they can use for innovative programs. Part B allocations are primarily available to the larger school districts in qualifying States.

OFFICE OF EDUCATION RESPONSIBILITY UNDER CONSOLIDATION

Mr. FLOOD. What is the responsibility of your office under this consolidation—more new language—under this consolidation of support and innovation programs? What is the responsibility of your office? Will you just simply write a lot of checks and go away for a couple of weeks, or what?

Mr. WHEELER. No, indeed not. You know that that particular feature of the legislation bequeaths to the States some additional prerogatives for making educational decisions. Those States have to furnish us with plans and have to make applications. They will be approved by the Commissioner.

And beyond that we will be furnishing to them the technical assistance we usually do in helping them in the design and implementation of programs upon their request.

Mr. FLOOD. Suppose you don't like the State plan, what can you do about it?

Mr. WHEELER. The only grounds that we could use to refuse to approve a State plan would be that it is outside some of the requirements or outside some of the compliances. We are very mindful that the legislation was written so that the main responsibility for the education of children rests with the State and, of course, that is a constitutional mandate which we honor.

STATE DISTRIBUTION UNDER CONSOLIDATION

Mr. FLOOD. What about this distribution pattern under the consolidation? This is an old, old story around here. We understand that some States will receive less funds than last year? And I don't have to tell you that no State likes to receive less than they got last year.

How significant are changes of that kind going to be now?

Mr. WHEELER. Mr. Chairman, I think your question refers to the distribution of administration funds under the consolidation——

Mr. FLOOD. Yes; that is right.

Mr. WHEELER. Mr. Burns is here, and I think that he can give you the details on that.

Mr. BURNS. The number of States that will be gaining under title IV for fiscal year 1976 will be 44. There will be eight that will be losing funds.

Mr. FLOOD. I was directing my question to what about the ones that are going to get hurt.

Mr. BURNS. Of those that will get hurt, particularly with regard to part C of the allocation, there will be 16 States that will receive less money from part C in fiscal year 1976 than they did in fiscal year 1973, for title V ESEA alone.

USE OF CONSOLIDATION GRANTS FOR ENVIRONMENTAL PROJECTS

Mr. FLOOD. On these consolidation grants can the State use those funds for environmental projects, if they want to?

Mr. BURNS. Yes. Under part C, it will be discretionary at the State level.

Mr. FLOOD. Do you think they will?

Mr. BURNS. Yes.

EFFECT OF PROPOSED RESCISSIONS ON PROJECT REQUIREMENTS

Mr. FLOOD. The 1975 figures in your budget for bilingual education, for Follow Through and for education broadcasting facilities are based upon the proposed rescissions and it is pretty obvious the Congress will not approve those rescissions. Will this change the requirements for new projects?

Mr. WHEELER. It will.

Ms. BEEBE. Perhaps I could amplify a little bit on that. In the case of the educational broadcasting facilities program, those are one-time grants so that a decrease in the level in 1976, will not affect any continuing projects. In the case of followthrough, we have come before this committee and requested phaseout of that program, one class at a time. If we continue to phase out the program I do not believe the reduction will affect it. In the case of bilingual, we will have a shortfall.

Mr. FLOOD. Place in the record a statement for each one of these programs we are talking about, explaining how the funds will be used in 1975, excluding the rescissions. And then explain how this will affect the proposed budget for 1976. Be sure to include workload figures showing the numbers and dollar amounts for new and continuation projects.

[The information follows:]

Follow Through

For fiscal year 1975, $53,000,000 was appropriated. Of this amount $8,868,000 will complete the funding of activities for school year 1974-75, including $6,731,000 for Sponsor support and other project support costs and $2,137,000 for the collection and analysis of data for the National Longitudinal Study.

The remainder of the FY 1975 appropriation, $44,132,000 will forward fund over 80% of the total school year 1975-76 costs for grades 1, 2 and 3 in all 169 project sites and a new entering class in about half of those sites. It is the $6,000,000 over the revised request that the appropriation provides which will specifically fund the enrollment of this new group.

The $41,500,000 requested for fiscal year 1976 was based on school year 1976-77 being the second year of phase out. In that year the budget request would support children in grades 2 and 3, but would not support those who entered the program as a result of the FY 1975 appropriation and would, of course, not provide for a new entering class.

Distribution of Funds by Budget Year and School Year
(Note: Appropriated Funds are used in two school years as shown below. Dollars are in thousands)

	FY 1974		FY 1975		FY 1976 est.	
	1973-74	1974-75	1974-75	1975-76	1975-76	1976-77
Project Support[1]	$ 1,329	$48,450	$ 6,731	$43,932	$ 5,353	$30,108
Entering Group	(-0-)	(12,000)	(-0-)	(6,000)	(-0-)	(-0-)
Continuing Groups	(1,329)	(36,450)	(6,731)	(43,932)	(5,353)	(30,108)
Evaluation	2,199	867	2,137	200	4,439	1,600
Total by School Year...........	3,528[2]	49,317	8,868	44,132	9,792	31,708
Total by Budget Year...........	52,845		53,000		41,500	

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[1] Activities supported include site support (grants to LEA's), grants to sponsors for model implementation, training, and other items related to program operation.

[2] The balance of the $49,809,000 covering the 1973-74 school year, came from the FY 1973 appropriation.

Supplemental Fact Sheet 1 - Updated, March 19, 1975

ESEA, Title VII Funding Distribution by Program Component

	FY 1974[1]	FY 1975 Appropriation	FY 1976 Budget Request	FY 1976 Adjusted to Reflect Impact of FY 1975 Appropriation
Amount Available	$68,220,000	$85,000,000	$70,000,000	$70,000,000
Obligations	(67,627,000)			
I. Classroom Projects (less training component)	$55,017,000	$53,370,000	$46,900,000	$46,900,000
(a) Ongoing projects continued...	183	292	249	289
(b) Number of new projects........	200	36	40	0
(c) Projects discontinued.........	(17)	(91)	43	39
(d) Total number of projects......	383	328	289	289
(e) Average cost per project......	[2]	162,280	162,280	162,280
(f) Number of students served (est.)................	236,125	229,000	201,600	201,600
(g) Average per pupil expenditure (excluding training costs)...	$233	$233	$233	$233
(h) Number of languages...........	42	42	42	42
II. Training Costs (all)	$6,817,000	$21,000,000	$16,000,000	$16,000,000
A. Inservice (through classroom projects)	$6,817,000	$11,100,000	$8,130,000	$8,130,000
1. Number of teachers.......	9,000	5,640	4,000	4,000
2. Number of aides, parents, and paraprofessionals....	3,642	5,640	4,000	4,000
3. Number of administrators and counselors............	-0-	1,000	993	993
4. Average cost per trainee.	$547	$904	$904	$904
B. Pre-Service Traineeships	-0-	$3,900,000	$4,270,000	$3,900,000
1. Number of recipients......	NA	1,114	1,220	1,114
2. Maximum Award.............	NA	$3,500	$3,500	$3,500
C. Graduate Fellowships	-0-	$3,000,000	$600,000	$1,500,000[4]
1. Number of recipients	NA	500	100	500
2. Maximum Award............	NA	$6,000	$6,000	$3,000
D. Program Development	-0-	$3,000,000	$3,000,000	$2,470,000
1. Number of Awards.........	NA	20	20	16-17
2. Average Award............	NA	$150,000	$150,000	$150,000
III. Materials Development	$5,793,000	$7,000,000	$7,000,000	$7,000,000
(a) Number of projects...........	6	10	10	10
(b) Average cost..................	$965,500	$700,000	$700,000	$700,000
(c) Number of languages..........	10	12	12	12
IV. Advisory Council	[3]	$100,000	$100,000	$100,000
V. Needs Assessment	-0-	$730,000	-0-[5]	-0-[5]
VI. Bilingual Vocational Training	-0-	$2,800,000	-0-[6]	-0-[6]

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[1] Includes $9,870,000 in FY 1973 released funds obligated for school year 1974-75 as well as the FY 1974 appropriation of $58,350,000 also obligated for school year 1974-75.

[2] Averages not computed since the $8 million supplemental was obligated in December 1974, and those grants essentially covered only half of the 1974-75 school year.

[3] Funded in the Salaries and Expenses account this year.

[4] All 500 fellowships awarded in FY 1975 would be continued for another 6 months to completion at a cost of $3,000 per award.

[5] Activity to be continued with funds appropriated to the Assistant Secretary for Education.

[6] This program is not authorized in FY 1976.

ESEA, TITLE VII, BILINGUAL EDUCATION

The above table shows estimated adjustments in the original fiscal year 1976 request as a result of the fiscal year 1975 Appropriation. These adjustments include (a) having no new starts in fiscal year 1976 in order to continue the new starts begun as a result of the fiscal year 1975 appropriation; (b) increasing the dollar level for fellowships in order to continue for a final 6 months of study those 500 recipients who will have received a year award from the fiscal year 1975 appropriation; and (c) reducing the amounts originally requested for traineeships and program development in order to supply the funds necessary for the increase now planned for fellowships. (This reduction means that under the adjusted fiscal year 1976 request the same number of traineeship recipients will receive awards as will have received them from the 1975 appropriation and that somewhat fewer institutions of higher education will receive grants for program development than will have received them the previous year.)

EDUCATIONAL BROADCASTING FACILITIES PROGRAM

	(dollars in millions)			
	FY 1975 Estimate		FY 1976 Estimate	
Beneficiary/Output Data	No.	Amount	No.	Amount
ETV stations activated	5	2.8	3	1.8
ER stations activated	8	.9	6	.6
ETV stations upgraded/expanded	30	7.3	10	3.7
ER stations upgraded/expanded	15	1.0	7	.9
	58	12.0	26	7.0
% population served ETV	80%		81%	
% population served ER	66%		68%	
ETV applications filed	109	34.9	120	38.0
ER applications filed	80	5.9	85	7.0
	189	40.8	205	45.0

Average Awards Granted	FY 1975 Estimate	FY 1976 Estimate
ETV activations	$500,000	$600,000
ETV stations upgraded/expanded	300,000	300,000
ER activations	100,000	100,000
ER stations upgraded/expanded	70,000	80,000

Award Period: Grants are awarded annually for the total project. There are no continuations. Therefore, there will be fewer 1976 projects, when compared to the 1975 appropriation level. But the 1976 level does not require any specific amount to honor commitments made in 1975.

RIGHT TO READ

About right to read in your statement you say the right to read program could be funded under title 7 of last year's amendments instead of under the Cooperative Research Act.

Dr. Bell. Yes.

Mr. Flood. What effect will this have on the program?

Dr. Bell. We have Ruth Holloway here and I will ask her to respond if she will, please.

Dr. Holloway. We are proposing to fund that at some $6.8 million. Additionally, we plan to fund a new section, part C, Reading Emphasis Act, which has to do with funding reading specialists to see whether or not they can help young children in reading. The third thing we are proposing to fund is the reading academies where we will work with adults over the age of 16, we fund the center then they establish multiplier centers staffed by trained volunteers.

May I further indicate to be more specific in response to your question, there is an effect on the State education agency program because we are not able to fund them under this legislation in the same way they are funded under the existing program. That is one of our concerns with the new law.

AUTHORIZATION FOR RIGHT TO READ

Mr. Flood. What is the authorized amount for this new national reading improvement program?

Dr. Holloway. We are requesting the $12 million.

Mr. Flood. You are asking for $12 million?

Dr. Holloway. Yes.

Mr. Flood. That is a lot lower than the amount authorized. Do you think you can carry out the purpose and intent of the law with that relatively lower sum?

Dr. Holloway. Certainly, Mr. Chairman, we could always use more resources. We are trying to focus——

Mr. Flood. We very seldom ask questions like that here.

Dr. Holloway. We are trying to focus on the private sector which does not show up in this. We have been able to get major corporations involved in right to read and make commitments and are indeed establishing reading and literacy programs. So we have a wide variety of programs, of very significant contributions from the private sector to help the right to read.

Dr. Evans. The important part Dr. Holloway has alluded to is that the new law has a triggering level on the amount. What the new law says is that one of the principal parts of the right to read program, the grants to States' activity, cannot be funded until the amount appropriated under the new law reaches the minimum of $30 million. This program, as Dr. Holloway has indicated, is an effort to stimulate activities at State, local, and private sector levels—not support services directly. This is why we have not and would not propose going to a $30 million level for this catalytic demonstration program. We have under discussion within the Department proposals for legislative amendments taking the trigger out and allowing us to spend the $12 million we are requesting here under the pattern of the old law, and thereby allow the funding of these State grants.

DRUG ABUSE EDUCATION

Mr. FLOOD. Is there anything in the budget for the Drug Abuse Education Act?

Mr. WHEELER. No; there is not, Mr. Chairman.

Mr. FLOOD. When does the Federal funding end?

Mr. WHEELER. It ended last fiscal year.

INTERIM BUDGET PERIOD

Mr. FLOOD. The 1976 budget includes a request under various appropriations for interim money from July 1 to September 30 of 1976. However, there is no interim budget for the elementary and secondary education. Why is that?

Mr. WHEELER. Mr. Chairman, we are in the advanced funding mode. We have two alternatives here. Whta we have done is to choose to reduce the amount of time we could define as the advanced funding period. In other words, when we make the change in the fiscal year we would either have to extend and ask for interim funding for those 3 months or we would have the option to go over to September 30 and that would leave us with only 9 months notice to give to school districts rather than the 12 months.

Mrs. Beebe, I think, is in more command of the details than I.

Mrs. BEEBE. Essentially, in our appropriation for the interim budget, we have only asked for funds which normally in programs would be obligated in the first quarter. For most of the programs in the first quarter it would be for obligating programs already appropriated on an advanced funded basis.

We have requested appropriation language which would make the funds available for 15 months. Each succeeding appropriation would make the funds available for more than 12 months but would overlap for 3 months. We have done this in order to make the grant period more closely coincide with the school year. We will be beginning with the 1977 appropriation. We will be advanced-funded for 9 months, rather than 12 months.

Mr. FLOOD. Mr. Natcher.

FOLLOWTHROUGH PROGRAM

Mr. NATCHER. Mr. Wheeler, as I understand, there is a reduction of $5.5 million in the followthrough program. This amount is less than the revised request of $47 million for fiscal year 1975.

Mr. WHEELER. Yes, sir.

Mr. NATCHER. Now, the Congress extended this by legislation last fall; is that not correct?

Mr. WHEELER. Yes.

Mr. NATCHER. What is your authorization now as far as your phaseout is concerned? Grades 1 through 3 will receive Federal support 1975 through 1976, you speak of your phaseout. What is the authorization for your phaseout?

Mr. WHEELER. The budget amount appropriated was $53 million. Minus the rescission of $6 million, the figure we would operate on would be $47 million. The following year we would eliminate another class; that is how we get down to the $41 million.

Mr. MILLER. You are asking where in law is our authorization to phase out programs?

Mr. NATCHER. Yes.

Mr. MILLER. There is no law.

Mr. NATCHER. You want us to make the law then when my chairman takes this bill to the floor. There is no authorization at all for a phaseout other than saying this is an experimental program and should be phased out. There are a whole lot of people in the country that are in favor of this program. They are not in favor of phasing out any part of it. So I wanted to bring that to your attention.

Mr. WHEELER. We are aware of the popularity of the program. It has involved parents in the educational activities. The problem that we have with Follow Through is it was first instituted under the Economic Opportunity Act and the amount of money which would have been required to carry out the purposes was not appropriated, so we had to make an administrative decision. The first appropriation was only a fraction of the amount needed to carry it out. What we did was to design this rather important experimental program so we could have a look at the various kinds of educational techniques as they are in action. Now, to continue Follow Through, as a service program does not seem to be rational to us because it is not large enough to be a service program. What we say is that it should be phased out because we are at the end of the experiment with the exception of performing additional evaluations so we can make the best use of the information and results which have come from this program.

Mr. NATCHER. Suppose the committee went along with your request and agreed to a phaseout of this program. What do you have that will take its place?

Mr. WHEELER. I think to look at Follow Through as a program: that is, as a service program, is not the same viewpoint we have. This is an experiment just as we have other experiments, and there is a termination period. Of course, while we are going to get some answers from Follow Through, hopefully it will also raise other questions which should be pursued through some other research vehicle similar to Follow Through. I would suspect we could answer some of the questions which need to be answered within the scope of some of the other evaluations we will be performing.

Mr. NATCHER. Generally speaking, has this program proven to be a successful program?

Mr. WHEELER. As an experiment, I would say this program has had reasonable success. If our goal is to find answers to certain knotty educational problems, then I think Follow Through will give us some of the answers. From the standpoint of an experiment, I would say it is successful. From the standpoint of providing additional services to a large part of the population, I would say it contributes very little.

Mr. NATCHER. Thank you, Mr. Chairman.

Mr. FLOOD. Thank you.

JUSTIFICATION OF THE BUDGET ESTIMATES

APPROPRIATION ESTIMATE

Elementary and secondary education

For carrying out, to the extent not otherwise provided, [the Environmental Education Act,]1/ *title I ($1,898,750,000), title IV, part C ($172,888,000) and title VII of the Elementary and Secondary Education Act; title VII of the Education Amendments of 1974; section 417(a)(2) of the General Education Provisions Act;* 2/ part IV of title III of the Communications Act of 1934; [the Cooperative Research Act; title IV of the Civil Rights Act of 1964; and section 222(a)(2) and title IX of the Economic Opportunity Act of 1964, $107,600,000 of which $12,000,000] *and part B of the Headstart-Follow Through Act,*3/ *$2,203,388,000 of which $7,000,000* shall be for educational broadcasting facilities and shall remain available until expended: *Provided, That of the amounts appropriated above the following amounts shall become available for obligation on July 1, 1976, and shall remain available until September 30, 1977; title I ($1,898,750,000); title IV, part C ($172,888,000) of the Elementary and Secondary Education Act and section 417(a)(2) of the General Education Provisions Act ($1,250,000):* 4/ *Provided further, That amounts appropriated for carrying out title I of the Elementary and Secondary Education Act in the fiscal year 1976, shall be available for carrying out section 822 of Public Law 93-380.* 5/

[For carrying out, to the extent not otherwise provided, title I, Part A ($3,702,762,000) Part B ($30,538,000) and Part C ($38,000,000), title III ($120,000,000), title IV, Part B ($137,330,000) and Part C ($172,888,000) title V, Parts A and C ($39,425,000), title VII and sec. 808 of the Elementary and Secondary Education Act; Part J of the Vocational Education Act of 1963; section 822 and section 823

($200,000) of Public Law 93-380; section 417(a)(2) of the General Education Provisions Act; title IV of the Civil Rights Act of 1964 and title III-A ($21,750,000) of the National Defense Education Act of 1958, $4,358,293,000: *Provided*, That of the amounts appropriated above the following amounts shall become available for obligation on July 1, 1975, and shall remain available until June 30, 1976; title I, Part A ($1,882,212,000) Part B ($16,538,-000) and title IV, Part B ($137,330,000) and Part C ($172,888,000) of the Elementary and Secondary Education Act, and section 417(a)(2) of the General Education Provisions Act ($1,250,000): *Provided further*, That the Commonwealth of Puerto Rico shall receive grants for the current fiscal year pursuant to sections 121,122 and 123 of the Elementary and Secondary Education Act of 1965 (as such Act exists on the date of enactment of this Act) in amounts equal to not less than the amounts received by the Commonwealth of Puerto Rico for the fiscal year ending June 30, 1974, pursuant to sections 103(a)(5), 103(a)(6) and 103(a)(7), respectively of the Elementary and Secondary Education Act of 1965 (as such Act existed immediately before the effective date of the amendments made to title I of such Act by the Education Amendments of 1974): *Provided further*, That none of these funds shall be used to compel any school system as a condition for receiving grants and other benefits from the appropriations above, to classify teachers or students by race, religion, sex, or national origin; or to assign teachers or students to schools, classes, or courses for reasons of race, religion, sex, or national origin, except as may be required to enforce non-discrimination provisions of Federal law][6/] *(Department of Health, Education, and Welfare Appropriations Act, 1975, Supplemental Appropriations Act 1975, additional authorizing legislation to be proposed for $2,000,000 for fiscal year 1976.)*

Explanation of Language Changes

1. Language has been deleted to omit reference to the activity, Environmental education, for which no funds are proposed in 1976.

2. Language is added to include references to the following activities: Grants for the disadvantaged, Support and innovation, Bilingual education, and an annual survey of children participating in Title I, which were included in the 1975 supplemental appropriation last year.

3. Language has been deleted to remove outdated authorization authority and the current authorization has been added.

4. Language has been added to spell out those activities which are to be advance funded.

5. A special provision is proposed to authorize the use of funds already appropriated by the Congress in P.L. 93-554 for 1976 to be reprogrammed in order to carry out a survey and study for updating the number of children counted for Title I as provided for in Section 822 of P.L. 93-380.

6. Language used in the 1975 Supplemental Appropriations Act is deleted.

Language Provision	Explanation
Provided further, That amounts appropriated for carrying out title I of the Elementary and Secondary Education Act in the fiscal year 1976, shall be available for carrying out section 822 of Public Law 93-380.	The Congress has already appropriated monies for title I as part of the advance funding in Public Law 93-554. The administration is proposing that $8,000,000 of the amount already appropriated be reprogrammed so that a study mandated by the law could be continued in 1976 to expand the current population survey in order to furnish current data for each State with respect to the total number of school age children in each State to be counted for the purposes of title I.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Elementary and Secondary Education

Amounts Available for Obligation

	1975 Revised	1976	1976 Advance for 1977
Appropriation	$2,255,675,000	$2,340,718,000 1/	$2,072,888,000
Proposed rescission	-35,856,250	---	---
Subtotal, adjusted appropriation	2,219,818,750	2,340,718,000	2,072,888,000
Comparative transfer to:			
"Emergency School Aid" for the transfer of Civil rights advisory services	-26,700,000	---	---
"Innovative and experimental programs" for the transfer of educational television programming functions	-7,000,000	---	---
"Library resources": for the transfer of libraries and instructional resources functions	-40,330,000	-137,330,000	---
"Salaries and Expenses" for the transfer of the Bilingual education evaluation	-730,000	---	---
Subtotal, budget authority	2,145,058,750	2,203,388,000	2,072,888,000
Unobligated balance, start of year	8,000,000	---	---
Total, obligations	2,153,058,750	2,203,388,000	2,072,888,000

1/ Includes $2,072,888,000 1975 advance for 1976

Summary of Changes

1975 Estimated obligations..	$2,188,915,000
Less: Proposed rescission..	-35,856,250
Subtotal, 1975 Revised obligations..........................	2,153,058,750
1976 Estimated obligations..	2,203,388,000 1/
Net change..	+50,329,250
1976 advance for 1977..	2,072,888,000

	1975 Base	Change from Base	1976 Advance for 1977
Increases:			
Program:			
1. Grants for disadvantaged..	$1,876,000,000	$+24,000,000	$1,900,000,000
2. Support and innovation grants..................	131,638,750	+41,249,250	172,888,000
Total increases......	---	65,249,250	---
Decreases:			
Program:			
1. Bilingual education:			
(a) LEA grants...........	52,840,000	5,940,000	---
(b) Training grants......	16,880,000	880,000	---
(c) Materials development	7,450,000	450,000	---
(d) Advisory council.....	100,000	---	---
2. Follow Through...........	47,000,000	5,500,000	---
3. Equipment and minor remodeling.............	250,000	250,000	---
4. Environmental education...	1,900,000	1,900,000	---
Total decrease.......	---	-14,920,000	---
Total, net change...............	---	+50,329,250	---

Explanation of Changes

Increases:

Program:

1. Grants for disadvantaged--The increase of $24,000,000 for 1976 has already been provided by the Congress as advance funding in 1975. For 1977, the same level of funding is requested as in 1976.

2. Support and innovation grants--The funds required to initiate this program in 1976 were provided by the Congress as advance funding in 1975. The amount provided is the minimum mandated by the law in order to trigger consolidation in the first year, i.e., the 1974 level for the programs consolidated. The funding level requested for 1977 is the same as in 1976.

1/ Includes $2,072,888,000 advance funding for 1976 appropriated in 1975.

Decreases:

Program:

1. Bilingual education--The decreases shown in 1976 for (a) Grants for LEA's, (b) Training grants and (c) Materials development result from showing 1974 carryover funds in the 1975 column. The total amount available--after the proposed rescission--for Bilingual education for 1975 was 730,000 less than is requested for 1976. However, the 1974 supplemental appropriation was available in 1975 and has inflated the base figure.

2. Follow through--The decrease of $5,500,000 for Follow through in 1976 shows the second step of the phase out of this program, the dropping of an additional grade.

3. Equipment and minor remodeling--This program is to be terminated in 1976 as its function of assisting private non-profit schools will be taken over by consolidation.

4. Environmental education--No funding is requested for environmental education in 1976 since State and local educational agencies can assume a greater share of the responsibility.

Obligation by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or decrease
16	Grants for disadvantaged.......	$1,876,000,000	$1,876,000,000	$1,900,000,000[1]	$+24,000,000
	(1976 advance for 1977)..........			(1,900,000,000)	(---)
30	Support and innovation grants:				
	(a) Consolidation grants	141,495,000	131,638,750	172,888,000[1]	+41,249,250
	(1976 advance for 1977)..			(172,888,000)	(---)
34	Bilingual eucation:				
	(a) LEA grants..	60,040,000	52,840,000	46,900,000	-5,940,000
	(b) Training grants....	21,880,000	16,880,000	16,000,000	-880,000
	(c) Materials development	7,450,000	7,450,000	7,000,000	-450,000
	(d) Advisory council...	100,000	100,000	100,000	---
	(e) Bilingual vocational training..	2,800,000	---	---	---
40	Right to read....	12,000,000	12,000,000	12,000,000	---
46	Follow through...	53,000,000	47,000,000	41,500,000	-5,500,000
55	Educational broadcasting facilities.....	12,000,000	7,000,000	7,000,000	---
XX	Equipment and minor remodeling (loans)........	250,000	250,000	---	-250,000
58	Environmental education......	1,900,000	1,900,000	---	-1,900,000
	Total obligations	2,188,915,000	2,153,058,750	2,203,388,000	+50,329,250
	(1976 advance for 1977)			(2,072,888,000)	(---)

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[1] Includes 1975 advance for 1976.

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Other services	$ 4,306,000	$ 3,306,000	$ 8,000,000	$ +4,694,000)
(1976 advance for 1977)			(---)	(-8,000,000)
Porject contracts.... (1976 advance for 1977).............	8,450,000	8,450,000	13,000,000	+4,550,000
			(5,000,000)	(-8,000,000)
Investments and loans..	250,000	250,000	---	-250,000
Grants, subsidies and contributions	2,175,909,000	2,141,052,750	2,182,388,000	+41,335,250
(1976 advance for 1977)			(2,067,888,000)	(-114,500,000)
Total obligations by object.......	2,188,915,000	2,153,058,750	2,203,388,000	+50,329,250
(1976 advance for 1977)...........			(2,072,888,000)	(-130,500,000)

Authorizing Legislation

	1976		1976 A vance for 1977	
	Authorized	Appropriation Requested	Authorized	Appropriation Requested
Elementary and Secondary Education Act				
Title I, Part A..	$3,927,130,000	$1,865,962,000	$3,904,500,000	$1,857,500,000
Title I, Part B..	175,000,000	16,538,000[1]	175,000,000	33,000,000[2]
Evaluation.......	19,500,000	8,250,000[1]	20,500,000	8,250,000[2]
Studies..........	Indefinite	9,250,000[1]	Indefinite	1,250,000[2]
Title IV, Part C.	350,000,000	172,888,000[1]	Indefinite	172,888,000[2]
Title VII, Bilingual education.	152,750,000	70,000,000		
Education Amendments of 1974				
Title VII, Right to Read........	109,500,000	12,000,000		
Head Start Follow Through Act				
Follow Through...	60,000,000	41,500,000		
Communication Act of 1934				
Title III, Part IV Educational Broadcasting projects.......	30,000,000	7,000,000		
Environmental Education Act				
Environmental Education......	10,000,000	---		
Alcohol and Drug Abuse Education Act Amendments of 1974				
Drug Abuse education...........	30,000,000	---		

[1] These monies were advance funded in 1975 for 1976.
[2] These funds were advance funded in 1976 for 1977.

Elementary and Secondary Education

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966	$1,388,510,000	$1,059,826,000	$1,059,826,000	$1,059,826,000
1967	1,248,464,000	1,248,464,000	1,248,464,000	1,221,464,000
1968	1,469,750,000	1,429,500,000	1,434,500,000	1,408,626,000
1969	1,466,663,000	1,284,753,000	1,399,626,000	1,326,753,000
1970	1,400,143,000	1,600,601,000	1,617,226,000	1,494,514,000
1971	1,533,472,000	1,709,672,000	1,750,465,000	1,722,672,000
1972	1,778,023,000	1,762,323,000	2,013,023,000	1,900,523,000
1973	1,912,628,000	2,120,668,000	2,149,668,000	2,178,358,000
1974	1,880,003,000	2,123,393,000	2,150,393,000	2,040,285,000
1975	2,176,225,000	2,188,225,000	2,209,225,000	2,200,225,000
1975 Proposed rescission	-35,856,250			
1975 Advance for 1976	2,072,888,000	2,072,888,000	2,052,888,000	2,072,888,000
1976	130,500,000			
1976 Advance for 1977	2,072,888,000			

Justification

Elementary and Secondary Education

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Grants for disadvantaged...............	$1,876,000,000	$1,876,000,000	$1,900,000,000	$ $+24,000,000
(1976 advance for 1977)...............			1,900,000,000	(---)
Support and innovation grants........	141,495,000[1]	131,638,750[1]	172,888,000	+41,249,250
(1976 advance for 1977)...............			(172,888,000)	(---)
Bilingual education..	92,270,000	77,270,000	70,000,000	-8,000,000
Right to read........	12,000,000	12,000,000	12,000,000	---
Follow through.......	53,000,000	47,000,000	41,500,000	-5,500,000
Educational broadcasting facilities.....	12,000,000	7,000,000	7,000,000	---
Equipment and minor remodeling.........	250,000	250,000	---	-250,000
Environmental education...............	1,900,000	1,900,000	---	-1,900,000
Total.........	2,188,915,000	2,153,058,750	2,203,388,000	+49,599,250

1/ Includes amounts appropriated for all programs in the consolidation.
2/ Includes $8,000,000 from 1974 supplemental carried forward into 1975.

General Statement

The overriding objective of this appropriation is to foster equal educational opportunity through the support of supplementary education services and capacity building activities to increase the ability of state and local education agencies to offer effective and efficient programs. Over 6,300,000 disadvantaged students will be provided supplementary services under ESEA I. Follow Through and Bilingual education will continue to develop, evaluate, and demonstrate more effective education practice and Right to read will continue through a variety of strategies to encourage the elimination of illiteracy in this country. A second objective of this appropriation is to more efficiently deliver financial resources to the states through grants consolidation.

Major emphasis in 1976 for this appropriation will be the implementation of two new concepts, the advance funding provided for Titles I and IV of the Elementary and Secondary Education Act and the Consolidation of four categorical programs under the authority of Title IV of the Elementary and Secondary Education Act. Under the advance funding concept, the Congress has already appropriated monies to operate Title I in 1976 at the $1,900,000,000 level and to operate the consolidation of Strengthening State departments of education, Supplementary services, Nutrition and health and Dropout prevention at a level not below what the total of these four accounts received in 1974, $172,888,000. Both of these new concepts were authorized by the passage of the Education Amendments of 1974, P.L. 93-380 enacted into law in August 1974.

This new legislation also impacted on Bilingual education. In addition to continuing classroom demonstrations, the amendments gave new focus to the creation of resources to facilitate the ability of local educational agencies to provide equality of opportunity for children of limited English speaking ability. Specifically, a minimum of $16,000,000 of the first $70,000,000 is to be focused on training. The law also considerably expands the kinds of training that will lead to degrees or credential awarding in Bilingual education. Title VII of the 1974 amendments extended and revised the Right to read program to stress direct Federal support.

Finally this budget reflects the passage of the Headstart-Follow Through Act and the extension and refinement of its requirements.

The 1975 base column reflects a proposed rescission of $35,856,250 from the amount provided by the Congress. This rescission has already been presented to the Congress and this budget reflects the hope for approval of the rescission.

	1975 Estimate	1975 Revised	1976 Estimate	1976 Advance for 1977
Disadvantaged Grants				
(a) Grants to local educational agencies......	$1,587,131,197	$1,587,131,197	$1,619,962,000	$1,550,500,000
(b) Grants to State agencies......				
(1) Migrant children..	91,953,160	91,953,160	100,000,000	150,000,000
(2) Neglected and delinquent.....	26,820,749	26,820,749	27,000,000	28,000,000
(3) Handicapped	88,927,175	88,927,175	99,000,000	109,000,000
(c) Special incentive grants...	14,000,000	14,000,000	16,538,000	33,000,000
(d) Special grants to urban and rural schools.	38,000,000	38,000,000	---	---
(e) Grants for State Administration	19,315,021	19,315,021	20,000,000	20,000,000
(f) Evaluation......	6,400,000	6,400,000	8,250,000	8,250,000
(g) Studies.........	3,450,000	3,450,000	9,250,000 1/	1,250,000
(h) Undistributed...	2,698	2,698	---	---
Total......	1,876,000,000	1,876,000,000	1,900,000,000	1,900,000,000

1/ Includes $8,000,000 to be reprogrammed for a study with the Department of Commerce for updating the number of children counted under Title I.

Narrative

Program Purpose

To meet the added costs of educating disadvantaged children, Title I provides several types of assistance: 1) formula grants to local educational agencies with large numbers of children from low-income families (Part A LEA grants); grants to State education agencies for programs directed at neglected and delinquent children, children of migrant families, and the institutionalized handicapped (Part A SEA grants); 3) incentive grants to States spending more on education than the national average (Part B grants); 4) funds for State administration and 5) funds for program evaluation and studies.

These disparate activities have a common goal--to pay supplementary costs or otherwise improve the education of disadvantaged children. Funds for these special services are provided on a formula basis. The program is authorized by Title I of the Elementary and Secondary Education Act of 1965, as amended by the Education Amendments of 1974, P.L. 93-380.

The largest component of the Title I program, the grants to local educational agencies, supports a variety of educational programs and services concentrated upon the most disadvantaged children within a local education agency. These projects are planned and operated by the local education agency and approved by the State departments of education. Emphasis is placed on increases and attainment.

The formula for distributing Title I local education agency grants was changed by P.L. 93-380. Allocations are now made on the basis of: 1) the number of children in poor families in 1970 based upon the "Orshansky" poverty index[1/] 2) two-thirds of the number of children from families receiving AFDC payments (updated annuallyP in excess of the poverty level for a non-farm family of four, and 3) institutionalized neglected and delinquent children and foster children supported with public funds. Basic Title I grant entitlements to local school districts are computed on a county basis by multiplying the number of eligible children by 40 percent of the State's average per pupil expenditure (or not less than 80 percent nor more than 120 percent of the national average per pupil expenditure). Grants are ratably reduced to the amount available except that no school district receives less than 85 percent of its prior year allocation.

The special incentive grants of Part B are available to those States whose effort index--a figure developed by dividing the expenditure of educational funds from State and local sources by total personal income--is greater than the national effort index. Funds are made available by the States to those school districts which have the greatest need for assistance. The grants are approved in amounts relating to the district"s respective needs. Only those projects which are deemed to be innovative by the State educational agencies are approved. No State is entitled to more than 15 percent of the total amount for Part B. In FY 1975, 22 States were eligible for special incentive grants ranging from an estimated $35,758 for Iowa to $2,100,000 for both Michigan and New York.

Title I requires that State Agency programs be funded at their maximum authorization. Grants to LEAs under Part A are ratably reduced to the amount remaining after the authorizations for the State Agency programs have been set aside. The amounts for the State Agency grants, therefore, must be deducted from the $1,900,000,000 appropriated for fiscal year 1976 and requested for fiscal year 1977. In addition, Part B grants in accordance with the statute share with Part A in the appropriated funds above the $1,396,975,000 base and are also ratably reduced.

The $1[illegible],338,[illegible] for Part B in school year 1975-76 was restricted by language in the appropriation act. The school year 1976-77 request of $33,000,000 represents the amount derived by the formula.

Plans for fiscal years 1975 and 1976

(1) Grants to local educational agencies under Parts A and B

	1975 School Year 1975-76	1976 School Year 1976-77	Increase or Decrease
Amount requested...	$1,619,962,000	$1,550,500,000	$-69,462,000

Plans for fiscal year 1976 (School Year 1976-77)

The $1,900,000,000 requested in fiscal year 1976 for advance funding includes $1,550,500,000 for grants to local educational agencies. These funds will continue to be spent for the special educational needs of educationally deprived public and non-public school children living in low-income areas, institutionalized neglected and delinquent children supported by LEAs, and Indian children in BIA schools. The money will be concentrated upon schools most heavily impacted with poor children.

[1/] A poor non-farm family according to the "Orshansky" index is one whose income ranges from less than $1,840 with one child to less than $6,101 with seven or more children. A poor farm family's income covers a range from less than $1,[illegible] with one child to less than $5,182 with seven or more children.

local educational agencies, the neglected and delinquent institutions and BIA schools will strongly emphasize instruction in reading, the language arts and mathematics primarily from kindergarten through the sixth grade. Individualized instruction will be provided by the use of specialized instructional staff and teacher aides. Inservice training of teachers and teacher aides and parental involvement will also be maintained to increase the educational effectiveness of projects. The decrease in funding for local educational agencies even though the total for title I remains constant occurs because the State agency totals increase.

Plans for fiscal year 1975 (School Year 1975-76)

School year 1975-76 will be the first year of advance funding for the Title I program. The funds will provide support for an estimated 5.6 million children in almost 14,000 school districts. An estimated 57 percent of the funds will serve children in grade levels 1-6, 22 percent in grades 7-9, 15 percent in grades 10-12 and 6 percent in pre-school and kindergarten. Continued emphasis will be placed upon operating classroom projects where 1) available funds are concentrated upon relatively few eligible children to achieve performance objectives; 2) the number of pupils in a classroom is maintained in the 15 to 25 range with a specialized instructor or teacher aide provided for more individualized instruction; 3) an adequate needs assessment is conducted of the specific educational needs of the children to be served; 4) project design and objectives (in terms of measurable pupil performance) are relevant to the needs of the pupils and supplementary to the regular school program, 5) on-going project evaluation is maintained in each project to discover correctable project weaknesses, and 6) parents are involved in planning, implementing and evaluating projects to maintain cooperation between the school, the family and the community to achieve improved academic performance of participating children.

Title I also provides services for the priority needs of educationally depr non-public school youngsters. About 400,000 children of the estimated 5.6 million Title I participants in school year 1975-76 will be in attendance at non-public schools. Efforts will be made to insure that such children receive comparable benefits.

Programs involving institutionalized neglected and delinquent children supported by local educational agencies and handicapped children attending local schools are eligible to receive educational services by means of Title I grants to local educational agencies. An estimated 68,000 neglected and delinquent children in 1,500 institutions located in local educational agencies and over 10,000 handicapped children will participate in Title I programs in school year 1975-76.

Federal schools in 16 States operated by the Bureau of Indian Affairs for Indian children annually receive Title I funds under legislative authority of the Elementary and Secondary Education Act. In school year 1975-76 an estimated 33,000 Indian children will participate in 183 Title I projects located at 218 BIA schools at an average cost per child served of $532 for a total cost of $17,567,233.

(2) Grants to State Agencies

(a) Migrant Children

	1975 School Year 1975-76	1976 School Year 1976-77	Increase or Decrease
Amount requested......	$100,000,000	$150,000,000	$+50,000,000

School year 1976-77

The advanced funded appropriation for school year 1976-77 of an estimated $150,000,000 for the education of migrant children involves a $50,000,000 increase over the amount advanced for school year 1975-76. This increase results from a change in the statute. Under Section 122 of Title I as amended by P.L. 93-380, formerly migratory children who are no longer migrant must be included for a period not in excess of five years in the formula for determining State allocations. An estimated 700,000 children, an increase of 200,000 children over school year 1975-76 will participate in the program in school year 1976-77. These children will be served in an estimated 2,800 LEAs, an increase of 400 LEAs over 1976.

During school year 1976-77 the five priority activities developed in school year 1975-76 will become fully operational in migrant projects throughout the Nation. Improvements will also be made in such areas of interstate coordination as testing and the development of educational materials.

School Year 1975-76

Funds for State educational agencies responsible for the education of migrant children in school year 1975-76 will provide services for approximately 500,000 children in 48 States and the outlying areas, or about $200 per child.

Migrant educational services will involve the participation of an estimated 2,400 local educational agencies. As a result of the new legislation program services will be extended to include children of migratory fishermen and migratory children in Puerto Rico.

The migrant program will have five national priorities in school year 1975-76: 1) expand participation and programs for migrant students at the secondary school level including a) tutorial assistance during and after school; b) after school programs during regular and summer school, c) prevocational, vocational and career awareness and development programs; 2) expand existing programs for non-English speaking migrant children by a) more accurately assessing oral language skills, and b) prescribing bilingual approaches to meet the needs of the various migrant populations; 3) encourage all State educational agencies and their LEAs to increase the participation of parents in every migrant project; 4) develop procedures for listing on the Migrant Student Record Transfer System reading and mathematical skills acquired by migrant children and for encouraging teachers to use such data in planning reading and mathematics instruction for their children; and 5) develop compatability among the States regarding the accrual and awarding of secondary school credits for migrant students' high school diplomas.

(b) Neglected and Delinquent Children

	1975 School Year 1975-76	1976 School Year 1976-77	Increase or Decrease
Amount requested.......	$27,000,000	$28,000,000	$+1,000,000

School year 1976-77

The fiscal year 1976 request of $28,000,000 for use in school year 1976-77 is an increase of $1,000,000 over the advance appropriation for school year 1975-76. This change results from a slight incrase in the State per pupil expenditure rate upon which the formula is based plus a small estimated increase in the number of children counted for entitlement. The additional funds will result in an estimated increase in the average cost per participating child of $20 (from $540 to $560 in school year 1976-77. Renewed efforts will be made in school year 1976-77 to expand

and improve the educational programs for institutionalized children and return them to their families and communities with better attitudes towards education, society and themselves. Programs will stress more relevant curricula based upon sound needs assessment, performance objectives, extensive individualized instruction, and guidance and counselling to help the youngsters when they return to their community schools.

School year 1975-76

An estimated 50,000 institutionalized neglected and delinquent children in approximately 1,500 State operated or supported institutions will receive educational support from Title I in school year 1975-76 at an average cost per child of $540. Most of the money will be spent upon reading, language arts, mathematics and guidance and counselling, and perhaps 25 percent will receive in-depth testing and diagnosis of all of their physical and psychological needs. Also, institutional teachers will work regularly on a one to one basis with youngsters in the classroom and after hours tutoring them as an integral part of many programs.

(c) Handicapped Children

	1975 School Year 1975-76	1975 School Year 1976-77	Increase or Decrease
Amount requested.......	$99,000,000	$109,000,000	$+10,000,000

[illegible]

The fiscal year 1977 request of $109,000,000 is an increase of $10,000,000, generated by ADA count on a revised formula at a lower per pupil expenditure rate. In fiscal year 1977 program activities will be similar to those in 1976, with the exception that more handicapped children formerly in State agency programs will be participating in special education programs at the local level, while the State institutions will be picking up those children previously on waiting lists and the more severely handicapped.

School year 1975-76

An estimated 185,000 handicapped children in approximately 3,500 schools and 130 State agencies will receive educational support from P.L. 89-313 in fiscal year 1976 at an average cost per child of $535. Nearly three-fourths of the funds will be spent to enrich instructional programs by the addition of specialized teachers, consultants, evaluation specialists, speech pathologists, and teacher aides, and to provide inservice training for the staff. Programs will expand by the development of diagnostic and prescriptive services, summer programs, and parent education projects. Fiscal year 1976 is the second year in which funds can follow deinstitutionalized handicapped children in local education agencies. These funds will help supplement appropriately designed educational programs for such children in the local education agencies through such activities as inservice training, the hiring of consultants, parent education, and the purchase of specialized materials.

Plans for fiscal year 1976 (School Year 1976-77)

(3) State Administration

	1976 School Year 1975-76	1977 School Year 1976-77	Increase or Decrease
Amount requested.........	$20,000,000	$20;000,000	$ ---

In addition to authorizing grants to local educational agencies, Title I authorizes the Commissioner of Education to pay to each State up to 1 percent of its basic grant amount, or a minimum of $150,000 for necessary administrative expenses. In school years 1976-77 administrative funds will be used for such expenses as the review of an estimated 14,000 Title I project grant applications during the regular school year plus an estimated 5,000 applications for summer programs; for monitoring of Title I projects at the local level; technical assistance activities for school districts involving program development and evaluation and for providing a greatly expanded State-wide dissemination service to promote the use of effective compensatory education projects.

School year 1975-76

Administration funds will be provided to the State educational agency for technical assistance, measuring and evaluating the effectiveness of the grant programs and for dissemination.

(4) Evaluation

	1976 School Year 1975-76	1977 School Year 1976-77	Increase or Decrease
Amount requested........	$8,250,000	$8,250,000	$ ---

Section 151 of the Education Amendments of 1974 (P.L. 93-380) authorizes the Commissioner to use one-half of one per centum of the funds appropriated for Title I for evaluation of the program. Of the amount available for evaluation, $5,000,000 each year for three years, must go to the National Institute of Education for the conduct of a comprehensive study of compensatory education. In addition in fiscal year 1975 and 1976 the following evaluation studies will be initiated using funds made available by the program set aside: (1) a Study of the Neglected and Delinquent program; (2) a Study of the Feasibility of an Impact Evaluation of the Program for Children of Migratory Agricultural Workers; (3) a Survey of the Technical Assistance Needs implied by State Evaluation and Reporting Models currently being developed and the design of a field test for them; and, (4) a study of the effects of multi-year participation in basic skill compensatory programs on student skill acquisition.

(5) Title I Studies

	1976 School Year 1975-76	1977 School Year 1976-77	Increase or Decrease
Participation of Title I children....................	$1,250,000	$1,250,000	$ ---
Expansion of current population survey................	8,000,000	---	-8,000,000

An amount of $1,250,000 was appropriated by the Congress in fiscal years 1975 and again in 1976 to carry out the provisions of Section 417(a)(2) of the General Education Provision Act which authorize a survey of how many of the children counted under Title I to determine eligibility actually participate in the program. An additional amount of $1,250,000 is requested in this appropriation to continue this study in 1977.

An amount of $2,000,000 was authorized in 1975 for the Secretary of Commerce in consultation with the Secretary of Health, Education, and Welfare to expand the current population survey in order to furnish current data for each State with respect to the total number of school age children in each State to be counted for the purposes of Title I. No funds were authorized by the Congress for this study in the advance funding for 1976 which has already been appropriated. However, the Administration is requesting that $8,000,000 of the already appropriated funds be reprogrammed in order to provide funding for this study in fiscal year 1976. Such funds will be transferred to the Department of Commerce. A provision has been inserted in the proposed appropriation language to authorize this use of the funds.

In fiscal year 1975 the Congress authorized funds for another study mandated by the Education Amendments of 1974. An amount of $200,000 was provided under the authority of Section 823 to carry on a study of the manner in which the relative measure of poverty for use in the financial assistance program authorized by Title I may be more accurately and currently developed. The study will take into consideration regional, climatic, metropolitan, urban, suburban, and rural differences and family size and head of household differences.

Accomplishments in fiscal year 1974 (School Year 1973-74) and 1975 (School Year 1974-75)

(1) Grants to Local Educational Agencies: During school year 1973-74, an estimated 6.1 million children in almost 14,000 school districts participated in Title I programs. Title I funds in LEAs were concentrated upon instruction in reading, mathematics and English language arts for the most educationally deprived children in school year 1974-75. And estimated 5.6 million children including 40[illegible],000 in non-public schools were served. An estimated 81 percent of the funds in local educational agencies were spent upon instructional costs. Sixty-three percent of all services were in the basic skills (English language arts, reading, mathematics) and 37 percent were for supporting services (pupil services and capital outlays).

(2) Migrant Children: Grants to State educational agencies for school year 1973-74 provided services for about 300,000 children. New emphases in migrant education included the use of special diagnostic instruments for migrant students and more effective use of educational materials and teaching methodologies. Program application, evaluation and monitoring instruments for the migrant program also were initiated. In school year 1974-75, approximately 430,000 migrant children participated in the program in 2,000 local educational agencies. The Migrant Student Record Transfer system was improved and made more responsive to the needs of State and local program managers.

(3) Neglected and Delinquent Children: In school years 1973-74 and 1974-75 approximately 50,000 institutionalized neglected and delinquent children participated in programs supported by grants to State agencies.

(4) Handicapped Children: During fiscal year 1974 approximately 166,000 children in State operated or supported schools participated in programs and/or projects funded with P.L. 89-313 funds at an average cost of $517 per child. Of the total 166,000 participants 103,000 were mentally retarded, 22,000 were auditorally impaired, 9,000 were visually handicapped, 21,000 were emotionally disturbed and 11,000 were crippled or other health impaired. In fiscal year 1975 the number of children participating under this program increased to 184,000, an increase of 18,000 or 11%. Handicapped children formerly in State agencies who subsequently participated in special education programs at the local level accounted for approximately 11,000 of the 18,000 increase or 56%. However, the total amount of funds appropratied increased by only 3% ($3,000,000) due to the revised formula for computing per pupil expenditures.

(5) Adminstration: Amounts of $18,046,000 in 1974 and $19,315,000 were made available to the State governments to assist them in properly operating this program.

Grants to Local Educational Agencies[1]

	School Year		
	(Est.) 1974/75	(Est.) 1975/76	(Est.) 1976/77
No. of school districts	14,000	14,000	14,000
No. of participating children	5,600,000	5,600,000	5,600,000
Public	5,195,000	5,200,000	5,200,000
Nonpublic	405,000	400,000	400,000
Grade Levels Served:			
Pre-school and Kindergarten	6%	6%	6%
Grades 1-6	57%	57%	57%
Grades 7-9	22%	22%	22%
Grades 10-12	15%	15%	15%
Use of Funds:			
Instructional Costs	81%	82%	83%
Health Services	2%	2%	2%
Equipment	2%	2%	2%
Construction	1%	1%	1%
Administration	6%	6%	6%
All other	8%	7.9%	6.9%
Type of Service:			
Basic skills (English language, Arts, Reading, Math, etc.)	63%	63%	63%
Supporting Services, Pupil Services and Capital Outlay	37%	37%	37%
Average cost per child	$293	$292	$277
No. of State Program Reviews	57	57	57
No. of monitoring site visits	190	200	200

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[1] Includes grants to local educational agencies under Parts A, B and C.

Program for Indian Children in BIA Schools

	School Year		
	(EST.) 1974/75	(EST.) 1975/76	(EST.) 1976/77
1. Total number of elementary and secondary students in BIA schools	51,000	51,000	51,000
2. Number of Target Title I Students (unduplicated count)	32,300	33,000	33,000
3. Number of Projects	183	183	183
4. Number of Project Sites (or School units)	218	218	218
5. Average project cost per child served	$543	$532	$532
6. Number of Out-of State Students served in Peripheral Dorms	372	375	375
7. Number of Title I funded staff			
A. Professional Staff (Indian & Non-Indian)	500	500	500
B. Non-professional Indian Aides	1,600	1,600	1,600
8. Major Academic Thrusts:			
A. Reading	40%	45%	45%
B. Other Language Arts	25%	25%	25%
C. Mathematics	10%	10%	10%
D. General Academic Improvement	10%	0%	0%
E. Special Education (Handicapped Children)	10%	15%	15%
F. Other (not categorized)	5%	5%	5%
9. Number of children in BIA Schools with major English difficulty	33,000	33,000	33,000
10. Number of Handicapped Children in BIA Schools	18,500	18,500	18,500
11. Visits by Central Office Staff:			
A. Official Monitoring Visits to area offices & area schools	10	10	10
B. Tec. Assistance and Training Visits to areas and school units	60	60	60
12. Visits by Area Office Staff:			
A. Monitoring Visits to School	173	173	173
B. Tech. Assistance and Training Visits to Schools	370	370	370

Title I ESEA

State Agency Program for Migrant Children

	FY 1975 (School Year 74/75)	FY 1976 (School Year 75/76)	FY 1977 (School Year 76/77)
1. No. of States	48	52	54
2. No. of participating children	430,000	500,000	700 000
3. No. of Applications	48	52	54
4. No. of New Awards	48	52	54
5. No. of Continuing Awards	46	52	52
6. No. of LEA Programs	2,000	2,400	2,800
7. No. of State Program Reviews	16	33	44
8. No. of Site Visits	32	66	88
9. Average cost per child	$214	$200	$214

Title I, ESEA

Programs for Neglected and Delinquent Children in Institutions

	School Year		
	(Est.) 1974/75	(Est.) 1975/76	(Est.) 1976/77
State Agency Program			
No. of State Agencies	95	95	95
No. of Participating Children	50,000	50,000	50,000
No. of Grant Awards	106	53	53
Average cost per child	$538	$540	$560
No. of monitoring visits	75	100	100
Local Institutions			
No. of Local Institutions	1,396	1,500	1,500
No. of participating children	67,682	68,000	68,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Support and Innovation Grants................. (1976 Advance for 1977)	$141,495,000	$131,638,750	$172,888,000 (172,888,000)	$+41,249,250 (---)
(a) Support and innovation..............	---	---	(86,444,000)	(86,444,000)
(b) Strengthening State Departments of Education.........	(39,425,000)	(29,568,750)	(19,712,500)	(-9,856,250)
(c) Supplementary services................	(101,170,000)	(101,170,000)	(63,781,500)	(-37,388,500)
(d) Dropout prevention..	---	---	(2,000,000)	(+2,000,000)
(e) Nutrition and Health	(900,000)	(900,000)	(950,000)	(+50,000)
Total.......... (1976 Advance for 1977)..	141,495,000	131,638,750	172,888,000 (172,888,000)	+41,249,250 (---)

* In FY 1976 funds for the categorical grant programs are consolidated into "Educational Innovation and Support". In accordance with Title IV, Part A, Section 401, of P.L. 93-380, 50% of the appropriated funds are to be used for consolidation grants and 50% for the categorical programs. In FY 1977, all appropriated funds will be used for consolidation grants.

Narrative

Program Purpose

To enable States to exercise increased responsibility and flexibility in providing support for the strengthening of State departments of education, supplementary educational services, dropout prevention and nutrition and health, Title IV of the Elementary and Secondary Act, as amended by Title IV, Section 401, Part C of P.L. 93-380 in 1974, consolidates four categorical programs into a single grant, "Educational Innovation and Support". The four former categorical programs which now comprise the consolidation are Title V, ESEA, Strengthening State and local educational agencies; Title III, ESEA, Supplementary educational centers and services (except guidance, counseling, and testing); Title VII, Section 807, ESEA Dropout prevention projects, and Title VIII section 808, Nutrition and health. The consolidation permits States to continue efforts in any or all of the formally separately authorized programs according to their needs. In fiscal year 1975, the administration is requesting a rescission of $9,856,250 for Title V, ESEA.

Allocations will be made to all States on the basis of the proportionate number of children in each State ages five through seventeen as related to the total number of such children in all States, after approximately one percent is withdrawn for distribution to the outlying areas, the Department of Interior (for Indian Education) and the Department of Defense. The program is advance funded. In fiscal year 1976, 50% of the funds will be used for consolidation purposes, and the remainder will be used for the categorical programs. In 1977, 100% will be used under the consolidation authority.

Plans for fiscal year 1977

In school year 1976-77, 100% of the 172,888,000 requested will be used on a consolidated basis. This will permit the States to set priorities in accordance with individual needs which may result in considerable differences among States in program emphasis. Thus, one State may see its primary needs resting on improving the nutrition and health services existing in local schools while another might stress the development of dropout prevention programs. Priority setting will be reflected in each States program plan.

Consolidation does present certain limitations on State spending. A State is permitted to use a maximum of 15% of its allocation (or the amount available in fiscal year 1973, whichever is greater) to strengthen State and local education agencies. A maximum of 5% of the remainder may be used for administration of the programs being consolidated. A minimum of 15% of the funds received by the State must be expended on programs for handicapped children. Equitable opportunities must be provided for children in private, nonprofit elementary and secondary schools.

Plans for fiscal year 1976

In school year 1975-76, 50% of the $172,888,000 advance funded appropriation will be used for the support and innovation consolidation and 50% for the categorical programs. These funds will support the following activities:

Support and Innovation: The consolidation will provide a grant program that will permit State and local authorities greater flexibility in determining individual educational priorities among these activities. The $86,444,000 available under consolidation will support the same activities as the categorical programs.

Strengthening State Departments of Education: The $19,712,500 available for this activity will be used by all States to continue activities for strengthening the leadership resources of State and local education agencies. Emphasis will be given to developing and expanding planning and evaluation capabilities at the local level and for the provision of intensified technical assistance by State education agencies. Additionally, State education agencies will strengthen their management capacity through the training of management teams and the installation of new management processes. Five percent of the funds available will be used for special project grants to State education agencies under Section 505 of this Title to enable groups of these agencies to develop their leadership capabilities through experimental projects and to solve high priority problems common among States. An estimated 18 grants will be supported under Section 505.

Supplementary Services: The $63,781,500 available will enable the States to continue 800 projects, 500 of which are in their final year of operation and 300 of which are achieving their individual objectives but are not considered likely to be continued under Part C of Title IV based upon the State Title IV needs assessment. Of these 800 projects 40 will be validated for State dissemination through the IVD (Identification Validation Dissemination) process. The Commissioner's discretionary grant authority, Section 306, was repealed as of June 30, 1975.

Dropout Prevention: The $2,000,000, available will permit States to initiate additional activities according to individual needs. Based on validated experiences gained from the 19 originally funded projects, alternative approaches to dropout prevention will be stressed. Coordination with other programs directed at dropout prevention will be emphasized.

Nutrition and Health: An amount of $950,000 will be available for this activity which was multi-year funded in prior years. Information will continue to be disseminated on twelve demonstration projects which were completed in previous years so that maximum use can be made of what has been learned. The Office of Education will continue to monitor and provide technical assistance to continuing projects. An estimated three new projects will be initiated for one year only.

Accomplishments in fiscal year 1975

Strengthening State Departments of Education: A total of $29,568,750 was available for this activity in fiscal year 1975. Of this amount $24,705,938 was used for Grants to States. The States continued activities designed to improve and increase the leadership and services provided for local educational agencies, and investigated alternatives to their organizational and governance structures. As a result, changes in organizational structures and operating procedures have been implemented. The amount available for Title V, Section 505, ESEA was $1,300,312. Twenty-four projects were supported which enabled State educational agencies to conduct studies and develop strategies and models for dealing with problems such as improving internal auditing; State role and responsibilities in environmental education; State and local agency role in accountability; the consolidation of grant applications; State role in collective bargaining; and State role in certification of principals. In accordance with the Act these special projects provided all of the 56 SEAs with opportunities to pursue common priorities, to exchange strategies for resolution of common problems, and to provide a forum for joint consideration of common concerns. In addition, two projects provided inservice training opportunities for the chief State school officers of all States and members of State boards of education.

Under Part C, Comprehensive Planning and Evaluation, $3,562,500 was available in fiscal year 1975. Many of the major fiscal year 1974 objectives were continued by the State agencies in 1975. However, emphasis on internal development of State educational agencies was reduced as attention was given to the development of planning and evaluation capabilities at the local level. This emphasis resulted in:

- 56 SEAS providing planning and evaluation services to selected LEAs as required by statue, making initial efforts to begin the development of coordinated State/local comprehensive planning and evaluation
- 10 SEAs piloted the development of planning and evaluation models at the local level
- 35 SEAs allotted planning and evaluation training for personnel in selected LEAs
- 6 metropolitan LEAs participated directly in the program establishing planning and evaluation units which coordinated planning and evaluation with their respective SEAs

Supplementary Services: An amount of $101,170,000 was available for this activity in fiscal year 1975. The States funded approximately 1,300 demonstration projects in a variety of areas of State identified concerns. An additional 75 projects were validated for State-wide dissemination through the IVD (Identification, Validation, and Dissemination) process implemented by States with developmental assistance from the Office of Education.

Under the Commissioner's discretionary funds (Section 306) 35 exemplary projects served as demonstration and training sites for school districts. In addition, 57 grants were made to support facilitators to promote the adoption within their respective States of the selected national demonstration projects. Another 18 grants were awarded to local educational agencies to field test 3 sites each of 6

packaged exemplary education programs. In addition to the primary emphasis on replication, 100 early childhood out-reach programs were funded as a major new thrust to improve learning opportunities for the preschool child; 3 demonstration programs designed to provide more effective services to the victims of child abuse were implemented; 25 developmental programs to meet the special needs of handicapped children were supported; 75 short-term training programs were supported to prepare local school administrators to implement performance-based management approaches, and 5 grants were made to field test mathematics programs involving mathematics specialists in classroom instruction.

Nutrition and Health: An amount of $900,000 was available for this activity in fiscal year 1975. Four projects funded in the previous year were continued in school year 1974-75. Eight previous projects were phased out of Federal support and into local support. Five new projects begun in fiscal year 1974 were monitored and provided technical assistance. Anecdotal reports and evaluation by the projects indicated that a wide variety of approaches were successful in different types of communities. An overall evaluation design was completed and was implemented. Information about different approaches was disseminated among the projects and to other communities. Three new demonstration projects serving 4,000 children were undertaken. The projects have demonstrated a variety of comprehensive models for improving the delivery of services and education in health and nutrition, targeted at children from low-income families. Federally assisted programs located in the target areas have been used to the maximum extent possible. These programs included: Comprehensive Neighborhood Health Centers, Children and Youth Projects, Comprehensive Mental Health Centers, Model Cities, Indian Health Service and Child and Family Feeding Programs.

Dropout Prevention: Funds were not appropriated for this activity in fiscal year 1975. The 19 original projects funded were phased out. Coordination with other programs directed at dropout prevention was initiated.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Bilingual Education	$84,270,000*	$69,270,000*	$70,000,000	+ 730,000
New Awards	23,100,000	8,100,000	13,864,000	+5,764,000
Continuations	61,170,000	61,170,000	56,136,000	-5,034,000

Narrative

Program Purpose

To assist local educational agencies in responding to the special educational needs of children of limited English speaking ability so that they might have equal educational opportunity, title VII of the Elementary and Secondary Education Act authorizes the Commissioner to provide financial assistance to encourage the establishment and operation, where appropriate, of educational programs using bilingual education practices, techniques, and methods. Authorized activity includes:

--discretionary grants for the development and demonstration of bilingual education programs to local educational agencies or to institutuins of higher education (including a junior or community college) applying jointly with one or more local educational agencies.

--grants or contracts to carry out training activities by (a) institutions of higher education which apply, after consultation with, or jointly with, one or more local educational agencies; (b) local educational agencies; and (c) State educational agencies.

--the establishment, publication, and distribution by the Commissioner of suggested models of bilingual education with respect to pupil-teacher ratios, teacher qualifications and other factors affecting the quality of instruction offered in such programs.

In addition, from funds appropriated under this title, the Commissioner is authorized to make payments to the Secretary of the Interior to carry out programs of bilingual education for Indian children on reservations served by elementary and secondary schools operated or funded by the Department of the Interior.

This program is forward funded. Consequently, funds appropriated and obligated in one fiscal year are used by grant and contract recipients the succeeding year, e.g., fiscal year 1976 funds will be used by recipients during fiscal year 1977, i.e., academic year 1976-77.

Needs and Goals

The Lau vs. Nichols decision affirmed the responsibilities of the LEA's to develop appropriate programs for students of limited or non-English speaking ability to ensure equal educational opportunity. Beyond the responsibility for civil rights compliance/enforcement, the Federal government has assumed a capacity building role to assist the LEA's and the States in building resources to address the educational needs of such children.

The resources essential to this goal are teachers and instructional materials. Up to 100,000 bilingual education teachers are needed for an estimated 1.8 to 2.5 million children of limited English speaking ability. Instructional materials of proven quality for the 42 languages currently present in title VII projects are needed in the range of academic subjects in all elementary and secondary grades. At this point, materials in languages other than Spanish are limited and those available need to be field tested and disseminated. These needs will be more sharply defined over the next several months and again subsequently by November, 1977 when the two legislatively required needs assessments in this field are completed.

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*Amounts shown are new obligational authority appropriated or requested for the year indicated. They exclude $8,000,000 in fiscal year 1974 appropriations obligated during fiscal year 1975 for school year 1974-75. Also excluded for comparability is $ 30,000 for the Needs Assessment which will be continued in fiscal year 1976 with funds appropriated to the Assistant Secretary for Education.

In keeping with the capacity building role, new training efforts to generate fully qualified personnel are being funded (traineeships, fellowships and institutional assistance) and emphasis is being given to those inservice training programs which lead to degrees and/or certification in bilingual education. Moreover, plans have been developed to coordinate the materials development/assessment/dissemination functions to avoid duplication of effort and to facilitate the use of materials of proven quality in title VII and non-title VII bilingual education classrooms. The FY 1975 funding increase over FY 1974 for both of these resource-generating activities (teacher training and materials development) is to be retained in FY 1976.

Plans for Fiscal Year 1976

To assist LEA's in providing equal educational opportunity to children of non- or limited English speaking ability, the request will support demonstration sites, train teachers, and develop, assess, and disseminate instructional materials. The request is the same as the revised fiscal year 1975 request and will be distributed in approximately the same proportion.

I. Classroom Demonstration Projects. The Federal role as regards bilingual classroom operations is to provide financial assistance for demonstrations of effective models which may then be replicated by other LEA's seeking to provide equal educational opportunity for children of non-or limited-English speaking ability. An amount of $46,900,000* will support this effort for school year 1976-77. At an estimated average cost of $162,283, a total of 289 projects, including up to 40 new demonstrations, will be funded which will provide bilingual education in a total of 42 languages including 23 native American languages.

II. Training. As required by law, an amount of $16,000,000* or nearly 23% of the Title VII request is targeted on this component to increase the number of bilingual educational personnel directly involved with teaching children.

(a) Inservice training - To train approximately 990 administrators and counselors, 4,000 teachers and 4,000 aides participating in ongoing demonstration projects, $8,130,000 will be available. Career development will be stressed in these training programs and priority will be given to grant applications that have training programs leading to degrees and/or credentialling of training participants.

(b) Pre-service traineeships - To enable individuals to achieve degrees and/or certification in the field of bilingual education, an amount of $4,270,000 providing up to $3,500 to minimum of 1,220 undergraduate and graduate students is included in the request. These awards will be made jointly by the LEA's and institutions of higher education. Support of undergraduates will mean built-in continuation costs as students proceed through their academic programs.

(c) Graduate fellowships - To provide 100 graduate fellowships to prepare individuals to train teachers for programs of bilingual education, a total amount of $600,000 is planned. Fellowships will average $6,000.

(d) Program development - To enable institutions of higher education to develop or expand and improve their bilingual education training capabilities, $3,000,000 will be made available for an estimated 20 grants of about $150,000 each.

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* Note that these amounts are slightly different from those published in the President's Budget which read $46,170,000 for demonstrations and $16,730,000 for training.

III. Materials Development. Until fiscal year 1974, curriculum and materials development were integral to all Title VII demonstrations and there was consequent duplication of effort. However, a major need identified during project monitoring and in the Office of Education's "Process Evaluation of the Bilingual Education Program" (1974) is the coordination of materials development activities, the assessment of materials developed, and the dissemination of materials of proven quality. As a result, a strategy to support capacity building was devised in which the curriculum-development component in each project would be de-emphasised. Available funds would be increased and focused on a few projects to produce core curricula with appropriate materials that may be field tested in bilingual classrooms throughout the country prior to wide distribution. The $7,000,000 request for this activity will support up to 10 such projects covering such functions as curriculum and materials development, assessment of existing materials, and dissemination of validated materials.

In addition, to support the capacity building objective, an estimated 6 resource centers will be funded as an integral part of the materials development/assessment/dissemination network. These centers will directly serve LEA's by providing them assistance in personnel training and in the utilization and field testing of instructional materials. However, as components of demonstration and/or training projects, the centers will be funded out of those activities described above and not from this activity.

IV. National Advisory Council. An amount of $100,000 will support the activities of this council which is authorized to advise the Commissioner in the preparation of general regulations and with respect to policy matters concerning the administration and operation of this title.

Accomplishments - Fiscal Year 1974 and 1975

For school year 1974-1975 a total of $68,220,000 was available for obligation. This amount included the $50,350,000 originally appropriated in fiscal year 1974 less the five percent authorized reduction, the $8,000,000 appropriated in the fiscal year 1974 second supplemental, and $9,870,000 in fiscal year 1973 released funds. Of these amounts, the released funds and the original appropriation were obligated to cover the entire school year. The $8,000,000 supplemental, available for obligation through December 31, was obligated in December and therefore essentially covered the remaining half of the school year. From the total $68,220,000 available for the 1974-75 school year, $55,017,000 was awarded to LEA's for 383 classroom demonstrations, including 200 new starts. The demonstrations cover 42 languages including 23 native American languages. An amount of $6,816,800 supported the inservice training of 12,462 school personnel associated with these demonstration. Six materials development projects in ten languages were funded at a level of $5,793,000.

The fiscal year 1975 amount of $70,000,000 represents the revised request. The appropriation is $85,000,000, but a rescission of $15,000,000 has been proposed. The revised request of $70,000,000 will target nearly 33 percent of the available funds on activities designed to increase the number of trained school personnel and the availability of quality materials. Of the $16,000,000 for training, $9,900,000 will fund inservice training for an estimated 10,950 teachers and other personnel associated with ongoing demonstration projects; with a maximum award of $3,500, the amount of $2,500,000 will enable LEA's and institutions of higher education to award a minimum of 714 pre-service traineeships leading to degrees or certification to qualified undergraduate and graduate students; a reserve of $600,000 will fund 100 fellowships for graduate students entering the field of bilingual education teacher training, and $3,000,000 will be distributed among an estimated 20 institutions of higher education for the development and improvement of their bilingual education graduate programs. The $7,000,000 earmarked for materials development will be targeted on up to 10 projects focusing on the development, assessment, and dissemination of special instructional materials for use in bilingual education programs. With these funds, the core of materials already available in Spanish will be assessed and expanded and work will be initiated and/or strenthened on a number of other languages for which suitable materials are either non-existent or minimal. This activity is central in building the capacity of LEA's to implement bilingual education programs by providing materials which the LEA's cannot develop on their own due either to fiscal constraints or lack of expertise at the local level, or which they do not need to develop with their own resources because appropriate materials of high quality already exist and will be disseminated to them. (Some materials and curriculum development will, however, continue at the local level where the native language spoken is that of a relatively small, localized population.)

The bulk of the appropriation, $46,170,000 will support grants to local education agencies to demonstrate bilingual education programs in school year 1976-77. No new projects are planned this year, although an estimated 292 projects initiated in prior years will be continued at an average cost of $158,116. Approximately 91 projects previously funded will not be continued this year either because they have achieved the goals of their demonstration purpose or because they were judged of too poor quality relative to other grant applicants to merit continued funding as a demonstration project.

Finally, $100,000 has been earmarked for the National Advisory Council on Bilingual Education.

Supplemental Fact Sheet 1

ESEA, Title VII Funding Distribution by Program Component

	FY '74	FY '75 Est.	FY '76 Est.
Amount Available Obligations	$68,220,000 1/ (67,627,000)	$70,000,000	$70,000,000
I. Classroom Projects (less training component)	55,017,000	46,170,000	46,900,000
(a) Ongoing project continued....	183	292	249
(b) Number of new projects.......	200	-0-	40
(c) Projects discontinued........	17	91	43
(d) Total number of projects.....	383	292	289
(e) Average cost per project.....	2/	158,116	162,283
(f) Number of students served (est.)	236,125	204,000	201,600
(g) Average per pupil expenditure (excluding training costs)	2/	226	233
(h) Number of languages	42	42	42
II. Training Costs (all)	6,817,000	16,000,000	16,000,000
A. Inservice (through classroom projects)	6,817,000	9,900,000	8,130,000
1. Number of teachers.......	9,000	5,000	4,000
2. Number of aides, parents, and paraprofessionals....	3,462	5,000	4,000
3. Number of administrators and Counselors...........	-0-	951	993
4. Average cost per trainee.	547	904	904
B. Pre-Service Traineeships	-0-	2,500,000	4,270,000
1. Number of recipients.....	NA	714	1,220
2. Average Award............	NA	3,500	3,500
C. Graduate Fellowships	-0-	600,000	600,000
1. Number of recipients.....	NA	100	100
2. Average Award............	NA	6,000	6,000
D. Program Development	-0-	3,000,000	3,000,000
1. Number of Awards.........	NA	20	20
2. Average Award............	NA	150,000	150,000
III. Materials Development	5,793,000	7,000,000	7,000,000
(a) Number of projects..........	6	10	10
(b) Average cost................	965,500	700,000	700,000
(c) Number of languages..........	10	12	12
IV. Advisory Council..................	3/	100,000	100,000
V. Needs Assessment..................	-0-	730,000	4/

1/ Includes $9,870,000 in FY 1973 released funds obligated for school year 1974-75

2/ Averages not computed since the $8 million supplemental was obligated in December, 1974 and those grants essentially covered only half of the 1974-75 school year

3/ Funded in the Salaries and Expenses account this year

4/ Activity to be continued with fundsappropriated to the Assistant Secretary for Education.

SUPPLEMENTAL FACT SHEET 2

Elementary and Secondary Education Act
Title VII

LANGUAGES SERVED WITH FISCAL YEAR 1974 FUNDS
(During School Year 1974-75)

8 Indo-European

French
Portuguese
Spanish
Italian
Greek
Yiddish
Russian
Haitian French

11 Asian

Chinese (Cantonese)
Japanese
Korean
Ilocano
Samoan
Trukese
Marshalese
Ponopean
Chamorro
Palouan
Tagalog

23 Native American

Yupik
Siberian Yupik
Inupiat
Athabaskan
Aleut
Navajo
Lakota
Seminole
Zuni
Cree
Papago
Bannock Shoshoni
Crow
Northern Cheyenne
Miccosukee Seminole
Choctaw
Cherokee
Acoma Pueblo Keresan
Laguna Peublo Keresan
Mississippi Choctaw
Passamoquoddy
Pomo
Mescalero Apache

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Right to read.........	$12,000,000	$12,000,000	$12,000,000	$ ---
New awards..........	(1,900,000)	(1,900,000)	(10,750,000)	(+8,850,000)
Number............	55	55	100	+45
Continuing awards..	(10,100,000)	(10,100,000	(1,250,000)	(-8,850,000)
Number............	151	151	15	-141

Narrative

Program purpose

The purpose of the Right to Read program, authorized by Title VII of the Education Amendments of 1974, is to provide facilitating services and resources to stimulate educational institutions, governmental agencies, and private organizations to improve and expand their activities related to reading. The Right to Read program is both an impetus to and a component of a large National reading effort. The goal of this National effort is to eliminate functional illiteracy in this country to the extent that by 1980, 99 percent of the population sixteen years of age, and 90 percent of the population over sixteen years of age will be functionally literate.

Functional illiteracy is the inability to read the kinds of simple materials--job application forms, drivers' license examinations--which make it possible to take advantage of the opportunities American society has to offer.

Through fiscal year 1975, this program operated under the authority of the Cooperative Research Act which provided the basis for different types of activities than are planned under Title VII of the Education Amendments of 1974, which specifies activities which may be supported in a National Reading Improvement Program. In order to achieve the purpose of this program, the Commissioner is authorized to award discretionary grants and contracts to State and local education agencies, institutions of higher education, and other public and private nonprofit agencies.

Plans for fiscal year 1976

The Right to Read program is made up of a number of components:

1. Reading Improvement Projects, (Part A)--The purpose of this component of the Right to Read program is to encourage State and local educational agencies and private organizations to undertake projects to initate or strengthen reading instruction programs and language arts programs in elementary and preelementary schools. Eligible grantees are State, local and nonprofit educational agencies or child care institutions.

In fiscal year 1976, 44 new projects will be funded with $6,880,000; however not more than 12-1/2 percent of the total for these projects may be allocated to any one State. Awards will be made for projects,

(1) in kindergartens and preschools which have demonstrated or which have the resources to provide model reading practices for children between ages 3 and 6. These exemplary practices should include inservice training of site staff as well as methods specifically for teaching young children.

(2) in schools which have demonstrated or which have resources to provide model developmental or remedial reading practices for students on the elementary and secondary levels. These projects should involve innovative methods, systems, materials, or

programs in schools having large numbers or a high percentage of children with reading deficiencies.

2. Special Emphasis Projects (Part C, Section 721)--The purpose of this component of the Right to Read program is to determine the effectiveness of intensive instruction by reading specialists and reading teachers. Eligible grantees are local education agencies.

In fiscal year 1976, 20 new projects will be funded with $1,000,000. Two types of projects will be supported:

(1) those providing for the teaching of reading by a reading specialist for all children in the first and second grades.

(2) intensive vacation reading programs for elementary school children reading below grade level or experiencing problems in learning to read.

3. Reading Academies (Part C, Section 723)--The purpose of this component of the Right to Read program is to furnish reading assistance and instruction to out-of-school youths and adults who do not otherwise receive such assistance and instruction. The target population for these projects has minimal reading capability, roughly comparable to fourth grade level or below; projects will be in both urban and rural areas.

Reading Academies are the administrative units which would provide the following facilitative and supportive services to volunteer tutors and functional illiterates:

(1) publicity to recruit volunteer tutors and functional illiterates.

(2) counseling and guidance services.

(3) technical assistance in establishing and maintaining various tutor/tutee arrangements.

(4) training of volunteer tutors.

(5) provision of appropriate teaching and testing materials.

(6) establishment and utilization of a counsel or advisory committee.

(7) establishment of a systematic evaluation design to track progress.

Eligible recipients of contracts or grants are State and local education agencies, institutions of higher education, community organizations, and other non-profit organizations.

In fiscal year 1976, an amount of $4,000,000 will be used to support 50 academies; 35 new projects at $2,750,000 and 15 continuations at $1,250,000.

4. Evaluation (Part D, Section 731)--A yearly evaluation is required by Title VII of the Education Amendments of 1974, which allow up to one percent of the Title VII budget to be used for that purpose. In fiscal year 1976, $120,000 will be used for this project.

Accomplishments for fiscal years 1974 and 1975

Of the projects funded in fiscal years 1974 and 1975, the only activity to be continued into 1976 will be support of the Reading Academies. This change in program operations is necessitated by the expiration of the Cooperative Research Act and the initiation of the National Reading Improvement Program as delineated in Title VII. The program as operated in 1974 and 1975 includes:

1. State Education Agency Program: The purpose of this component of the Right to Read program is to build the capacity of State agencies to assume responsibility of improving reading achievement through:

(a) State education agency needs assessment

(b) developmental activities to coordinate State-wide reading activities

(c) preparation of local education agency reading directors

(d) technical assistance

In fiscal year 1974, 31 State edcuation agencies were funded, directly impacting on 1,227 local education agencies. These grants were for continuations only.

Through fiscal year 1975, the number of discretionary grants to State education agencies was increased slightly each year, with the intent of eventually including all State education agencies in the program. Title VII provides that amounts for the State program are authorized only in the amount of the excess above $30,000,000 allocated for both Parts A (Reading Improvement Projects) and B (State Reading Improvement Programs.) Our 1976 budget does not include funds for this purpose.

Therefore, since this component will not be continued in 1976, in fiscal year 1975, all 50 State education agencies are funded, including 31 continuations and 19 new projects. The newly funded projects will be one-year grants for State education agency orientation toward developing a State-wide reading strategy. Preparation of local education agency directors is targeted in districts having the highest incidence of children with reading difficulty.

2. Demonstration Program: The purpose of this program is to stimulate local education agency and community investment by demonstrating exemplary programs. In fiscal year 1974 91 school-based demonstrations, impacting on 30,000 students were supported and 71 community-based demonstrations were supported. In fiscal year 1975, 9 school-based projects and 21 large school districts or cities were funded on a continuation basis, and 55 community-based projects were supported. Community-based projects are to be phased out after 1975. School-based and large district projects will be eligible for support under Part A demonstrations in fiscal year 1976.

3. Reading Education Reform: The purpose of this component of the Right to Read program is to facilitate changes in reading education programs for teachers and administrators. Grants are made, for periods of up to two years, to institutions of higher education. Thirty-four projects at the elementary level were supported in both fiscal year 1974 and fiscal year 1975.

4. National Impact Activities: The purpose of these activities is to stimulate public and private activity to help achieve the reading goal of the National effort. In fiscal year 1974, the following activities were supported:

(a) one contract, funded jointly with the Adult Basic Education program, to develop an adult television series to teach adults with reading problems, and

(b) a mini-assessment of the reading achievement profile of 17 year olds, which was carried out as part of the National Assessment of Educational Progress.

In fiscal year 1975, the mini-assessment to complete the reading achievement profile of 17 year olds was continued, and the Reading Academies program was initiated with 15 projects at a cost of $1,250,000.

5. Dissemination: In fiscal year 1974 five technical assistance projects were funded to help the school-based demonstrations; a Right to Read film was produced; and Right to Read materials were developed by the most successful demonstration projects. In fiscal year 1975, Right to Read materials were disseminated.

SUPPLEMENTARY FACT SHEET

Right to Read

Estimate of Need: The United States has close to 19,000,000 totally or functionally illiterate adults and 7,000,000 elementary and secondary school students with severe reading problems. In large cities between 40 and 50 percent of the children are underachieving in reading.

Activity	FY 1973 Actual	FY 1974 Actual	FY 1975 Estimate	FY 1976 Estimate
State Education Agencies........	$ 4,558,337	$ 4,348,000	$ 5,000,000	$ ---
Demonstration Programs:				
School-based projects (elementary and secondary).........	4,440,075	3,818,883	1,700,000	---
Community-based projects (adults)....................	---	3,096,715	2,100,000	---
Reading improvement projects (Part A)....................	---	---	---	6,880,000
Reform of Reading Education....	405,629	1,471,545	1,500,000	---
Special Emphasis Projects (Part C, Section 721).........	---	---	---	1,000,000
National Impact Projects:				
Adult TV......................	---	520,990	---	---
Mini-assessment...............	166,555	255,481	100,000	---
Right to Read Academies (Part C, Section 723).........	---	---	1,250,000	4,000,000
Dissemination:				
Film..........................	---	371,359	---	---
Right to Read materials......	358,550	8,000	350,000	---
Technical assistance.........	256,459	198,400	---	---
Evaluation (Part D, Section 731).........................	724,251	49,985	---	120,000
FY 1972 awards funded from FY 1973 funds.................	944,335	---	---	---
Total....................	11,854,191	14,139,358	12,000,000	12,000,000

Formula for Grants to State Education Agencies - 1976 and Beyond

Part B of Title VII specifies a formula which provides that each State receive an amount which bears the same ratio to the total available for allotment to the States as the number of school age (5 through 12) children in each State bears to the total number of such children in all the States. There is a minimum $50,000 grant; allotments to States receiving more than that amount are to be proportionately reduced to provide the necessary increases to States allocated less than the minimum. No more than one percent of the total is to be reserved for the outlying areas.

Number of Projects

	FY 1973	FY 1974	FY 1975	FY 1976
State Education Agencies				
No. of awards made................	31	31	50	---
New awards........................	20	---	19	---
Continuation awards...............	11	31	31	---
Demonstration Programs				
No. of awards made................	96	165	85	44
New awards........................	---	---	---	44
Continuation awards...............	96	165	85	---
Average amount of award...........	$ 46,250	$ 42,000	$ 44,700	$156,300
Reform of Reading Education				
No. of awards made................	3	34	34	---
New awards........................	3	34	---	---
Continuation awards...............	---	---	34	---
Average amount of award...........	$135,000	$ 44,000	$ 44,000	---
Special Emphasis Projects				
No. of awards made................	---	---	---	20
New awards........................	---	---	---	20
Continuation awards...............	---	---	---	---
Average amount of award...........	---	---	---	$ 50,000
National Impact Projects				
No. of awards made................	1	2	17	50
New awards........................	1	1	16	35
Continuation awards...............	---	1	1	15
Average amount award..............	$166,555	$388,000	$ 80,000	$ 80,000
Dissemination				
No. of awards made................	11	8	20	---
New awards........................	11	3	20	---
Continuation awards...............	---	5	---	---
Average amount of award...........	$ 55,900	$ 72,200	$ 17,500	---
Evaluation				
No. of awards made................	1	1	---	1
New awards........................	1	1	---	1
Continuation awards...............	---	---	---	---
Average amount of award...........	$724,251	$ 49,985	---	$120,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Follow Through..............	$53,000,000	$47,000,000	$41,500,000	$-5,500,000
Non-competing continuing Awards..................	48,694,000	43,940,000	34,750,000	-9,190,000
Contracts..................	4,306,000	3,060,000	6,750,000	+3,690,000

Narrative

Program Purpose:

Follow Through is an experimental program designed to test various models of early primary education programs being developed to increase the achievement of disadvantaged children who have been enrolled in Head Start and other similar preschool programs. The goal for these models is to insure that every child emerges from the primary grades confident of his ability to learn and well equipped with the skills and concepts that form the basis of later learning. Typically, the academic program stresses reading and language development, classification and reasoning skills, and perceptual motor skills. The goal of the Follow Through Program is to determine those approaches and procedures which are most effective with disadvantaged children. Initially authorized under the Economic Opportunity Act of 1974, beginning in fiscal year 1975, the program is authorized by the Head Start-Follow Through Act, Title V of P.L. 93-644.

In order to carry out Follow Through programs the Secretary is authorized to provide financial assistance to local educational agencies and other public or appropriate non-profit private agencies, organizations or institutions. This assistance shall not exceed 80% of the approved costs, nor shall the Secretary require non-Federal contributions in excess of 20 percent of the approved costs. For purposes of developing, testing, and evaluating the models, grants and contracts to public and private agencies are also authorized. Towards the goal of determining which Follow Through approaches being implemented are most effective, several evaluation efforts are underway, most notably the National Longitudinal Study of the 10 most frequently implemented models.

Since fiscal year 1973, the funding pattern for this program has been a staggered one whereby over 75 percent of the appropriated funds are used to forward fund activities in the next school year with the balance supporting activities in the current school year. Evaluation contracts may exceed a 12 month period.

Plans for fiscal year 1976

To complete the Follow Through experiment to test various models of early primary education, a total of $41,500,000 is requested. This reduction of $5,500,000 from the revised fiscal year 1975 submission reflects the plan whereby school year 1976-77 will be the second year of program phase-out with children from grades 2 and 3 only participating. The intention of eventually ending this program because its basic purpose as an experimental program had been achieved was first articulated in the fiscal year 1974 budget submission.

In accordance with the updated plan for phase-out, no more students will be enrolled in entry level grades beginning in September 1975, although all children already participating will remain until they have left the third grade. The last group, those who entered the program in September, 1974 will complete the program in June, 1978. Therefore, fiscal year 1977 will be the last year for which there is expected to be a budget request for Follow Through.

From the request, $9,792,000 will complete the support of activities in school year 1975-76 while $31,708,000 will forward fund activities in school year 1976-77. (See supplemental fact sheet 1 for detail on staggered funding pattern.) During phaseout, program activities such as site support for local projects, sponsor grants for model implementation, supplementary training for para-professionals in project sites, State technical assistance and dissemination, and evaluation by sponsors and project directors will continue to be funded but generally at reduced levels.

Evaluation activities will receive $6,039,000 in fiscal year 1976 funds ($4,039,000 during school year 1975-76 and $1,600,000 during school year 1976-77). Of this amount, a total of $2,839,000 will fund the final years of the National Longitudinal Evaluation Study. In the spring of 1976, the third interim report from the study will be published, focusing on an analysis of the 1971 entering class' third year in the program. Although data collection on the group's last year in the program will be completed this summer, publication of the fourth and final report will not take place until the spring of 1977. The evaluation portion of the request also includes two activities to be initiated in school year 1975-76: (a) a study to determine and compare start-up and operational costs of models and programs and (b) data collection and analysis to determine the extent to which the Follow Through experience continued to benefit students during the year after they have left the program.

Accomplishments in fiscal years 1974 and 1975

From the fiscal year 1974 appropriation of $53,000,000, an amount of $49,317,000 primarily forward funded activity in school year 1974-75. Classroom operations in the 169 sites are presently being supported at all four levels (grades K-3). The balance of the appropriation completed the funding of the 1973-74 school year.

For fiscal year 1975, $53,000,000 was appropriated of which $6,000,000 was to be used toward support of a new entering class. The request to rescind the $6,000,000 is pending. Of the $47,000,000 budgeted for fiscal year 1975, $8,868,000 will complete the funding of activities for school year 1974-75 including $2,137,000 for the collection and analysis of data for the National Longitudinal Study. Data collection for this study ends this spring with the final testing of the 1971 group of children. The analysis of their experience in kindergarten was made available last spring and the report on their first grade experience is about to be published. The final assessment of this group's entire Follow Through experience will be published in 1977.

The remainder of the fiscal year 1975 appropriation, $38,132,000 will forward fund most of the total school year 1975-76 costs. Since that school year is the first year of the scheduled phase-out and there will be no entering group of children, the 169 project sites and other related program activities will require a smaller funding level.

SUPPLEMENTAL FACT SHEET 1

Budget Estimate for Follow Through Program Phase-out
(Note: Appropriated funds are used in two school years as shown below. Dollars are in thousands)

	FY 1974		Revised FY 1975		FY 1976	
	1973-74	1974-75	1974-75	1975-76	1975-76	1976-77
Project Support 1/						
Subtotal.........	1,329	48,605	6,731	37,932	5,353	30,108
Evaluation						
Longitudinal Study						
-Data Collection...	1,904	867	1,300	---	489	---
-Data Analysis.....	295	---	837	100	1,650	700
Cost Study..........	---	---	---	100	300	100
Fourth Grade Study..	---	---	---	---	2,000	800
Subtotal.........	2,199	867	2,137	200	4,439	1,600
Total	3,528[1]	49,472	8,868	38,132	9,792	31,708
Total by School Year		(58,340)		(47,924)		
Total by Budget Year	53,000		47,000		41,500	

1/ Activities supported include site support (grants to LEA's), grants to sponsors for model implementation, training, and other items related to program operation.

2/ The balance of the $49,809,000 covering the 1973-74 school year, came from the FY 1973 appropriation.

Supplementary Fact Sheet 2

FOLLOW THROUGH HISTORY

Fiscal Year	Appropriations (in millions)	School Year	No. of Sponsors	No. of Local Projects	No. of Low-Income Children	Grades
1968[1]	3.75[1][2]	1967-68[1]	0	39	2,900	K-1
1968[1]	11.25[1][2]	1968-69[1]	14	92	15,500	K-1
1969	32.00	1969-70	20	160	37,000	K-2
1970	70.30	1970-71	22	178	60,200	K-2
1971	69.00	1971-72	22	178	78,170	K-3
1972	63.06	1972-73	22	173[3]	84,000	K-3
1973	57.70	1973-74	22	170	81,000	K-3
1974	53.00	1974-75	22	169	78,000	K-3
1975 est.	47.00	1975-76	22	169	59,000	1-3
1976 est.	41.50	1976-77	22	169	38,000	2-3

---

[1] Fiscal year 1968 appropriations of $15 million was the primary source for both school year 1967-68 and 1968-69.

[2] The funding level includes funds for the program's salaries and expenses.

[3] Reductions reflect reduced appropriations. After 1972, 4 more sites elected not to participate.

Supplemental Fact Sheet 3

NUMBER OF PROJECT SITES BY SPONSOR 1974-75 (169)

1. EMPHASIS ON CLASSROOM INSTRUCTION

   A. Focus on accelerated acquisition basic skills

      U. of Oregon (19**)
      U. of Pittsburgh (7**)
      U. of Kansas (13**)
      Southwest Ed. Dev. Lab. (SEDL) (5**)

   B. Eclectic Approaches

      U. of Georgia (6)
      Prentice Hall (1)
      U. of Arizona (19**)
      Hi/Scope Ed. Res. Found. (9**)
      City U. of New York (2)
      Calif. St. Dept. of Ed. (5)
      Northeastern Ill. St. College (3)
      Hampton Institute (4)
      U. of Calif. at Santa Cruz (1)
      Western Behavioral Sci. Inst. (1)

   C. Learning Through Inquiry & Discovery

      Far West Lab (FWL) (14**)
      Bank Street College of Ed. (14**)
      U. of North Dakota (4)
      Educ. Development Center (10**)

2. PARENT EDUCATION APPROACHES

   U. of Florida (11**)
   Georgia State University (2)
   Clark College (2)

3. LOCAL IMPLEMENTED (Self Sponsored) Approaches (14)

4. PARENT IMPLEMENTED APPROACHES

   AFRAM Associates only (3)
   AFRAM Associates & other sponsor (5*)
   Other sponsor only (2*)
   Unassociated (5*)

* These projects have been accounted for under the appropriate sponsored approaches.

** These projects are included in the National Longitudinal Evaluation Study. Data collection will be completed this spring and the final report will be published in 1977.

Supplemental Fact Sheet 4

FOLLOW THROUGH PROJECTS BY STATE, SITE AND SPONSOR (1974-1975)

GRANTEE	SPONSOR
ALABAMA (2)	
Huntsville	Bank Street
Macon County	Bank Street
ALASKA (1)	
Hoonah	Arizona
ARIZONA (4)	
Rough Rock	Self-Spons*
Oraibi	Kansas
Tucson I	Self-Spons*
Tucson II (Ochoa)	Arizona
ARKANSAS (4)	
Flippin	Oregon
Jonesboro	Florida
Pulaski County	Hampton/Afram*
Texarkana	Pittsburgh
CALIFORNIA (15)	
Berkeley	Far West
Compton	N.E. Illinois
Cucamonga	U.C., Santa Cruz
Fresno	Far West
Garvey	Arizona
Los Angeles	Calif., SEA
Los Angeles	Self-Spons*
Los Angeles	SEDL
Oakland	Calif., SEA
Ravenswood	Calif., SEA
San Diego I	Self-Spons*
San Diego II	WBSI
San Jose	Calif., SEA
San Pasqual	Calif., SEA
Tulare-Cutler-Orosi	SEDL
COLORADO (3)	
Boulder	Bank Street
Denver	High Scope
Greeley	High Scope*
CONNECTICUT (1)	
New Haven	Bank Street

GRANTEE	SPONSOR
DELAWARE (2)	
Laurel	EDC
Wilmington	Bank Street
DISTRICT OF COLUMBIA (2)	
Nichols Ave. School	Oregon
Morgan Com. School	EDC/Afram*
FLORIDA (4)	
Dade County	Self-Spons
Duval County	Florida
Hillsborough Cnty.	Florida
Okaloosa Cnty.	High Scope
GEORGIA (3)	
Atlanta	CUNY
Pickens Cnty.	Georgia
Walker Cnty.	Arizona
HAWAII (1)	
Honolulu	Bank Street
IDAHO (1)	
Pocatello	Georgia
ILLINOIS (6)	
Chicago I	High Scope
Chicago II	N.E. Illinois
Chicago CCUO	EDC
East St. Louis	Oregon*
Mounds	Kansas
Waukegan	Kansas
INDIANA (3)	
Indianapolis	Kansas
Lawrenceburg	Florida
Vincennes	Arizona
IOWA (2)	
Des Moines	Arizona
Waterloo	Pittsburgh

*Parent Implemented

GRANTEE	SPONSOR
KANSAS (2)	
Topeka	N.E. Illinois
Wichita	Arizona
KENTUCKY (4)	
Daviees Cnty.	Georgia State
Louisville	Kansas
Owensboro	Far West
Pike Cnty.	Arizona
LOUISIANA (3)	
Natchitoches Parish	Georgia State
St. Martin Parish	SEDL
Vermilion Parish	Arizona
MAINE (1)	
Van Buren	Self-Spons
MARYLAND (1)	
Baltimore	Arizona
MASSACHUSETTS (5)	
Cambridge	Bank Street
Fall River	Bank Street
Highland Park School	Afram*
Pittsfield	Kansas
Roxbury Com. Sch.	EDC/Afram*
MICHIGAN (5)	
Alcona Cnty.	Afram*
Detroit	Self-Spons*
Flint	Oregon/Afram*
Grand Rapids	Oregon
West Iron Cnty.	Oregon
MINNESOTA (2)	
Duluth	Far West
Montevideo	Pittsburgh
MISSISSIPPI (4)	
Choctaw	Arizona
Gulfport	Georgia
Leflore Cnty.	High Scope
Tupelo	Oregon

GRANTEE	SPONSOR
MISSOURI (5)	
Central Ozark	High Scope
Kansas City I	Kansas
Kansas City II	REC
New Madrid Cnty.	Kansas
St. Louis	Far West
MONTANA (2)	
Great Falls	North Dakota
Northern Cheyenne	Kansas
NEBRASKA (1)	
Lincoln	Arizona
NEVADA (1)	
Washoe Cnty.	Far West
NEW HAMPSHIRE (1)	
Lebanon	Far West
NEW JERSEY (5)	
Atlantic City	Hampton/Afram*
Lakewood	Arizona
Newark	Arizona
Paterson	EDC
Trenton	Kansas
NEW MEXICO (3)	
Gallup-McKinley Cnty.	North Dakota
Las Vegas	Oregon
Santa Fe	Arizona
NEW YORK (16)	
Buffalo	Far West
Elmira	Bank Street
N.Y.C.: E. Harlem	Afram*
P.S. 6	Kansas
P.S. 33	Self-Spons
P.S. 76	CUNY
P.S. 77	Kansas
P.S. 92	High Scope
P.S. 133	Clark
P.S. 137	Oregon
P.S. 243	Bank Street
St. Colomba, Sacred Heart, & Guardian Angel	Hampton
Plattsburgh	Bank Street
Rochester	Bank Street

*Parent Implemented

GRANTEE	SPONSOR
NORTH CAROLINA (4)	
Cherokee	Oregon
Durham Cnty.	Arizona
Goldsboro	Far West
Johnston Cnty.	EDC
NORTH DAKOTA (2)	
Belcourt	Pittsburgh
Fort Yates	North Dakota
OHIO (4)	
Akron	Pittsburgh
Cleveland	Far West
Dayton	Oregon
Martins Ferry	Georgia
OKLAHOMA (2)	
Chickasha	Arizona
Shawnee	Arizona
OREGON (1)	
Portland	Self-Spons
PENNSYLVANIA (9)	
Lackawanna Cnty.	EDC
Keystone Central School District	Pittsburgh
Philadelphia:	
District I	Self-Spons
District II	Bank Street Kansas; SEDL
District III	Florida
District IV	Kansas
District V	Bank Street Self-Spons* SEDL
District VI	EDC
PUERTO RICO (1)	
Puerto Rico	Self-Spons
RHODE ISLAND (1)	
Providence	Oregon
SOUTH CAROLINA (4)	
Fairfield Cnty.	Florida
McCormick Cnty.	Georgia
Sumter	Far West
Williamsburg Cnty.	Oregon

*Parent Implemented

GRANTEE	SPONSOR
SOUTH DAKOTA (2)	
Rosebud	Oregon
Todd County	Oregon
TENNESSEE (4)	
Bradley County	Hampton
Chattanooga	Florida
Davidson Cnty.	Clark
DeKalb County	Oregon
TEXAS (7)	
Corpus Christi	Self-Spons
Dimmitt	Oregon
Ft. Worth	Arizona
Houston	Florida
Rosebud	EDC
San Diego	SEDL
Uvalde	Oregon
UTAH (1)	
Salt Lake City	Far West
VERMONT (2)	
Brattleboro	Bank Street
Burlington	EDC
VIRGINIA (2)	
Lee County	Georgia
Richmond	Florida
WASHINGTON (4)	
Burlington (Triad)	North Dakota
Seattle	High Scope
Tacoma	Far West
Yakima	Florida
WEST VIRGINIA (2)	
Monongalia County	Self-Spons
Randolph County	Pittsburgh
WISCONSIN (3)	
Lac du Flambeau	Florida
Marshfield	Far West
Racine	Oregon
WYOMING (1)	
Riverton	High Scope

SUPPLEMENTAL FACT SHEET 5

NATIONAL LONGITUDINAL EVALUATION STUDY OF THE FOLLOW THROUGH PROGRAM

Purpose - to test the effectiveness of Follow Through Models.

Design - examines ten most frequently implemented models. Similar schools within project areas are matched with Follow Through Schools to provide comparisons on both measures of achievement and attitude.

Primary Group Studied - children who entered the program in Fall of 1971 and who will exit in 1975. This group is considered to be the first to enter Follow Through when it was fully operational. (The groups that entered in 1969 and 1970 during the development stages of the program are also receiving some analysis but are not described in the summary table below.)

Results - For cognitive outcomes, the table below shows measures of achievement at the end of the 1971 group's first and second years in the program, and compares the effectiveness of each sponsor's model with a similar group not enrolled in a Follow Through program.

- Affective tests are used to explain and interpret cognitive outcome results. For measures of attitude, the battery of tests shown below for the Kindergarten year (academic motivation and locus of control) will not be repeated until the end of the third grade. In the interim, other measures of attitude are being taken by trained classroom observers. These results at the end of the 1971 group's second year in the program (first grade) are also displayed below. As with measures of academic achievement, the Follow Through schools have been compared with non-Follow Through schools.

- Results for all tests are shown by the following symbols:

+ = Educationally significant difference favoring Follow Through schools
0 = No significant difference between Follow Through and comparison schools
- = Educationally significant difference favoring comparison schools
x = Data not available

(A result is considered educationally significant (+ or -) if it is equal to or greater than 0.25 standard deviations with respect to the population tested.)

	MODELS									
Cognitive Outcomes	A	B	C	D	E	F	G	H	I	J
Reading										
.Kindergarten (Spring, 1972)	+	0	-	+	+	+	+	-	0	0
.First Grade (Spring, 1973)	0	-	-	+	0	0	-	0	-	+
Arithmetic										
.Kindergarten (Spring, 1972)	0	-	-	+	+	+	0	0	+	0
.First Grade (Spring, 1973)	0	-	-	-	+	-	0	+	0	+
Affective Outcomes										
.Kindergarten Tests (Spring, 1972)										
Academic Motivation	+	+	+	0	+	+	+	+	+	-
Feelings of Control over										
Positive Events	0	-	0	0	-	+	0	0	+	+
Negative Events	0	0	0	+	0	0	+	+	+	0
.First Grade Classroom Observation Outcomes (Spring, 1973)										
Independence	+	0	+	-	-	-	x	-	x	x
Task Persistance	-	0	-	-	+	-	x	-	x	x
Cooperation	0	0	+	-	-	+	x	+	x	x
Self esteem	+	+	-	+	-	-	x	-	x	x

Interpretation - There is substantial variation among models with respect to the outcome measures.

(a) Model C. showed losses with respect to one comparison group at the end of kindergarten and first grades on the reading and arithmetic outcome measures.

(b) Model J was the only model to show gains over its comparison group on both cognitive outcomes at the end of first grade.

(c) Model D was able to maintain its gains over the comparison group in reading but not in arithmetic. Model E maintained its gains in arithmetic but not in reading.

(d) All but two models, D and J, showed significant gains over their comparison groups on the academic motivation measure.

(e) The results must be regarded as preliminary at this time. Additional data and further analysis will be required before drawing final conclusions about the effectiveness of Follow Through models.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Educational broadcasting facilities:				
(a) ETV Projects................	$10,000,000	$5,500,000	$5,500,000	---
New awards................	35	18	13	-5
(b) ER Projects................	2,000,000	1,500,000	1,500,000	---
New awards................	23	21	13	-8
Total..................	12,000,000 58	7,000,000 39	7,000,000 26	--- -13

Narrative

Program Purpose

To: 1) extend noncommercial broadcast services, with due consideration to equitable geographic coverage throughout the United States, 2) strengthen the capability of existing noncommercial broadcast facilities to broaden educational uses. In order to achieve these objectives, the program stimulates the growth of noncommercial broadcast stations technically capable of providing adequate program services to communities; and also encourages statewide and regional planning and coordination of telecommunications capabilities to utilize fully the potential of public broadcast systems.

The program is authorized by Part IV of Title III of the Communications Act of 1934, as amended, which provides support, through matching grants (75 percent of the cost eligible items necessary to the project), for the acquisition and installation of necessary transmission apparatus required by noncommercial broadcasting stations to meet educational, cultural and informational needs of Americans both in homes and schools.

Noncommercial broadcasting serves the public interest by providing additional educational opportunities for preschool and school-age children, and for adults. About 50 percent of noncommercial television time is devoted to instructional programing to enrich teaching in the classroom. Instructional programing is one of the most effective and economic means of improving the quality and increasing the accessibility of education in this country.

Under existing legislation eligible grantees include: the agency responsible for public education within a State or political subdivision, the State educational television and/or radio agency, tax supported college or university, nonprofit corporation organized primarily to operate an educational television or radio station, a municipality which owns or operates a facility used only for noncommercial educational broadcasting. Beginning with fiscal year 1976, with an extension of the legislative authority, it is contemplated that private, nonprofit institutions of higher education will also become eligible applicants.

Authorization for this program expires with fiscal year 1975. A 5-year extension program has been recommended and new legislation is proposed.

Plans for fiscal year 1976

For fiscal year 1976 an amount of $7,000,000 is being requested. Legislation is being proposed to extend for five years the matching grant program. Utilizing this $7,000,000 in FY 1976, it would be possible to upgrade local stations and extend service as follows:

8

existing stations - upgrade/expand to correct inadequacies

10 noncommercial television stations
7 noncommercial radio stations

new initiatives - communities without service

3 noncommercial television stations
6 noncommercial radio stations

Accomplishments in fiscal year 1974 and 1975

With a funding level of $15,700,000 in fiscal year 1974, 47 educational television stations and 27 educational radio stations were activated or upgraded/expanded. In fiscal year 1975, the $7,000,000 available supported the activation or upgrading/expansion of approximately 18 educational television stations and 21 educational radio stations. This would raise the coverage of population served with educational television to 80% and with educational radio to 66%. In fiscal year 1975 the Administration is proposing a rescission of $5,000,000 which would eliminate funding for activation of two educational television stations and two educational radio stations and the upgrading of 15 existing ETV stations.

Awards in fiscal years 1974 and 1975 have made it possible to make progress toward reaching the goal of making available radio and television signals where economically feasible to all citizens of the Nation. It has been estimated that up to 380 radio and 380 television stations will be needed to provide nationwide coverage. It is recognized that many established needs remain unfilled.

In 1962, when Federal assistance was first made available for educational television, 80 educational television stations were on the air or under construction. By the end of fiscal year 1975 it is anticipated that the number of such educational television stations will have increased to 259 - 55 of which will have been established with Federal assistance.

In 1967, when Federal assistance was first made available to radio stations, few of the stations on the air had the capability of adequately serving their community. By the end of fiscal year 1975 it is anticipated that 200 stations will have been established or will be in the process of upgrading to become full-service radio stations--54 will have been established with Federal assistance and approximately 100 upgraded with such help.

The achievements made without Federal aid indicate the willingness and ability of the State and local educational agencies and the private sector to meet needs in this area.

EDUCATIONAL BROADCASTING FACILITIES PROGRAM

(dollars in millions)

Beneficiary/Output Data	FY 1974 Actual No.	FY 1974 Actual Amount	FY 1975 Estimate No.	FY 1975 Estimate Amount	FY 1976 Estimate No.	FY 1976 Estimate Amount
ETV stations activated	6	2.8	3	1.8	3	1.8
ER stations activated	4	.3	6	.6	6	.6
ETV stations upgraded/expanded	41	11.1	15	3.7	10	3.7
ER stations upgraded/expanded	23	1.4	15	.9	7	.9
	74	15.675	39	7.0	26	7.0
% population served ETV	78.5%		80%		81%	
% population served ER	63.0%		66%		68%	
ETV applications filed	125	41.6	109	34.9	120	38.0
ER applications filed	83	6.5	80	5.9	85	7.0
	208	48.11	189	40.8	205	45.0

Average Awards Granted	Actual FY 73	Actual FY 74	Estimate FY 75	Estimate FY 76
ETV activations	$399,720	$479,135	$500,000	$600,000
ETV stations upgraded/expanded	277,525	270,241	300,000	300,000
ER activations	89,754	110,839	100,000	100,000
ER stations upgraded/expanded	50,074	60,191	70,000	80,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Environmental education				
New awards......................	$1,900,000	$1,900,000	$ ---	$-1,900,000
Number......................	85	85	---	-85

Narrative

Program Purpose

To assist the development of formal and nonformal environmental educational programs for all levels of education. Toward this end competitively awarded contracts and grants are made from pilot and demonstration projects. These awards go to organizations and agencies for resource material development, personnel non-profit development, elementary and secondary education, and community education projects. Program activities are authorized by the Environmental Education Act (P.L. 91-516), as amended by P.L. 93-278.

Plans for fiscal year 1976

During its existence the Environmental Education program has successfully carried out its role of demonstrating new approaches to environmental education and catalyzing non-Federal efforts. Therefore, no funds are requested for this program in fiscal year 1976.

Accomplishments for fiscal year 1974 and 1975

In fiscal year 1974, $1,900,000 from this appropriation was available to support environmental education projects. The major activity in 1974 was the support of development projects to clarify and refine the conceptual framework and content resource base for environmental education. These projects involve the assessment and review of current and past projects. As a result, basic source material and instructional guides on energy conservation, allocation, and depletion will soon be available to teachers. A total of 106 projects were supported for workshops, pilot projects for material and personnel development, elementary and secondary education, and community education.

In fiscal year 1975, the program will continue its assessment of pilot types and additional basic source material, including a project designed to follow-up the results of the development projects conducted in fiscal year 1974. Approximately 85 projects will be awarded at a total estimated cost of $1,900,000.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity: Disadvantaged grants (ESEA I)

1975	1975	1976		1976 Advance for 1977	
Estimate	Revised	Authorization	Budget Estimate	Authorization	Budget Estimate
$1,876,000,000	$1,876,000	$4,102,000,000	$1,900,000,000	$4,079,000,000	$1,900,000,000

Purpose: Grants are made to States and to local school districts to provide special services to educationally deprived children residing in areas of high concentration of low-income families; for migrant children, handicapped children, dependent and neglected children, and juvenile delinquents. These funds are used to supplement existing State and local education outlays. Incentive grants are also made to States, and evaluation of the programs and special studies are authorized.

Explanation: The basic Title I grant entitlement to local school districts is computed on a county basis by multiplying the number of eligible children by 40 percent of the State's average per pupil expenditure (or not less than 80 percent nor more than 120 percent of the national per pupil expenditure). This entitlement is then prorated down to the funds available and grants are made through the State, with a floor provision to ensure that no local educational agency receives less than 85 percent of what they received in prior year.

Accomplishments in 1975: Approximately 6.3 million children in over 14,000 school districts participating in Title I program, with 63 percent of the funds being used for basic skills and 37 percent for supporting services.

Accomplishments in 1976: Approximately 6.3 million children in almost 14,000 school districts are participating in the Title I program to assist State and local educational programs to meet the special needs of these educationally deprived children.

Objectives for 1977: Advance funding in the 1976 appropriation request will support over 5 million children in local school districts and Bureau of Indian Affairs schools and over 900,000 in State agency programs.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity: Support and innovation services

1975	1975	1976		1976 Advance for 1977	
Estimate	Revised	Authorization	Budget Estimate	Authorization	Budget Estimate
$141,495,000	$131,638,750	$350,000,00	$172,888,000	Indefinite	$172,888,000

Purpose: To enable states to exercise greater flexibility and responsibility in determining priorities within the areas of 1) support of programs designed to strengthen State Departments of Education; 2) support of local projects for supplementary educational centers and services; 3) support of projects designed to improve nutrition and health services in public and private schools in areas of high concentrations of low income families; and 4) support of dropout prevention programs, Title IV, Section 401, Part C of P.L. 93-380, authorizes the consolidation of the aforementioned into a single grant program, "Educational, Innovation, and Support,"

Explanation: The four categorical programs consolidated into "Educational Innovation and Support" are Title III, ESEA, Supplementary Educational Centers and Services (except guidance, counseling, and testing, Title V, ESEA, Strengthening State and Local Educational Agencies, Title VIII, Section 807, ESEA, Dropout Prevention Projects, and Title VIII, Section 808, ESEA, Grants for Demonstration Projects to Improve School Nutrition and Health Services for Children from Low-Income Families. Allocations to States are determined on the basis of their age five through seventeen population. This program is advance funded which permits States to plan activities more effectively. In fiscal year 1975, the administration is requesting a rescission of $9,856,250 for Title V, ESEA.

Accomplishments in 1975: In 1975 the above categorical programs were operated under their old authority and accomplished the following: Under Title V, funding was provided to 55 States and territories while twenty four projects which permitted State educational agencies to conduct studies and develop strategies to identify common problems and solutions were initiated under section 505. Planning and evaluation support at the local education agency level was provided through ten SEA pilot programs to develop local planning and evaluation models. All fifty-six SEAs began developing a coordinated State/local comprehensive planning and evaluation program. Thirteen hundred demonstration projects providing supplementary services were funded by the States in accordance with their own identified concerns. Three hundred and eighteen projects were funded under the Commissioner's Title III discretionary authority. Three new nutrition health demonstration projects serving 4,000 children were initiated. Comprehensive models were developed to improve the delivery of health and nutrition services to children from low income families. Funds were not appropriated for dropout prevention in FY 1975. Beginning in FY 1976 these activities will be included in the consolidation which will permit the States to exercise greater discretion in channeling funds into this activity.

Objectives for 1976: In FY 1976 the first year of consolidation, 50% of the appropriated funds will be utilized for consolidation and 50% for the operation of the above categorical programs. 48 million elementary and secondary school children including 4.5 million children in public schools will be reached.

Objectives for 1977: In FY 1977, 100 percent of the appropriated funds will be used for consolidation. The same number of school children will be reached as in FY 76.

OFFICE OF EDUCATION

Elementary and Secondary Education

* Program Purpose and Accomplishments

Activity: Bilingual Education (Elementary and Secondary Education Act, as amended, Title VII)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$84,270,000*	$69,270,000*	$140,000,000	$70,000,000

Purpose: To assist local educational agencies in responding to the special educational needs of children of limited English speaking ability so that they might have equal educational opportunity, title VII of the Elementary and Secondary Education Act authorizes the Commissioner to provide financial assistance to encourage the establishment and operation, where appropriate, of educational programs using bilingual education practices, techniques, and methods.

Explanation: Discretionary grants are authorized for the development and demonstration of bilingual education programs. Grants or contracts are authorized for training activities and for assisting the Commissioner in establishing, publishing, and distributing suggested models of bilingual education with respect to pupil-teacher ratios, teacher qualifications and other factors affecting the quality of instruction offered in such programs. The program is forward-funded.

Accomplishments in 1975: From the revised 1975 request of $69,270,000, $46,170,000 will continue in school year 1975-76 an estimated 292 classroom demonstration projects initiated in prior years. Of the $16,000,000 earmarked for training, $9,900,000 will fund inservice training for an estimated 10,950 classroom personnel; $2,500,000 will support a mimimum of 714 pre-service traineeships; $600,000 will provide 100 teacher training fellowships; and $3,000,000 will enable about 20 institutions of higher education improve their bilingual education graduate programs. An amount of $7,000,000 for up to 10 projects will be used for materials development, assessment, and dissemination of special instructional materials for bilingual education classrooms. Finally, $100,000 has been earmarked for the National Advisory Council on Bilingual Education. This request initiated the capacity building strategy whereby Federal support is to be targeted to the extent possible on generating those resources -- trained teachers and materials of proven quality -- that will enable local education agencies provide equal educational opportunity to children of non-or limited English speaking ability. In fiscal year 1976 the Administration is requesting a rescission of $15,000,000.

Objectives for 1976: To continue the capacity building strategy, the request of $70,000,000 will be distributed among program components in essentially the same proportion as that of the revised fiscal year 1975 request. For approximately 289 demonstration models, including up to 40 new starts, $46,900,000 will be provided. The $16,000,000 for training activities includes $9,100,000 to 990 administrators and counselors, 4,000 teachers and [illegible] aides participating in the [illegible]

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* Amounts shown exclude $8,050,000 appropriated in FY 1974 but obligated during FY 1975. Also excluded for comparability is $730,000 for the Needs Assessment which will be continued in FY 1976 with funds appropriated to the Assistant Secretary for Education.

$4,270,000 for a minimum of 1,220 awards of up to $3,500 for pre-service traineeships; $600,000 for 100 graduate fellowships in bilingual education teacher training and $3,000,000 to enable some 20 institutions of higher education improve their graduate bilingual education training capabilities. Up to 10 materials development/assessment/dissemination projects will be funded out of $7,000,000 earmarked for that purpose and $100,000 will support the work of the Bilingual Education Advisory Council.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity: Right to read

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$12,000,000	$12,000,000	1/	$12,000,000

1/ Authorized under Title VII of the Education Amendments of 1974 (P.L. 93-380) which has authorizations as follows for fiscal year 1976:

Parts A and B : $82,000,000 (amounts for Part B can only be excess above $30,000,000 appropriated for Parts A and B)
Part C, Sec. 721: $20,000,000
Sec. 723: $ 7,500,000
Part D : No more than 1% of the total Title VII funding

Purpose: The purpose of the Right to Read program authorized by Title VII of the Education Amendments of 1974, is to provide facilitating services and resources to stimulate educational institutions, governmental agencies, and private organizations to improve and expand their activities related to reading. The Right to Read program is both an impetus to and a component of a large National Reading Effort. The goal of this National Effort is to eliminate functional illiteracy in this country to the extent that by 1980, 99 percent of the population sixteen years of age and 90 percent of the population over sixteen years of age will be functionally literate.

Explanation: Eligible grantees include local educational agencies, institutions of higher education, State education agencies, and other public and private agencies. Awards are made for 12-month periods.

Accomplishments in 1975: Nineteen State education agencies will receive new funds and 31 will receive continuation grants to train local Right to Read directors in order to cover all the States. Thirty school-based sites and 55 community-based sites will be funded to demonstrate effective approaches to reading and literacy. Other activities included initiation of the Reading Academy program with 15 new grants, dissemination of Right to Read materials, and funding of a mini-assessment of the reading achievement of out-of-school 17-year olds. In fiscal year 1974 and 1975, 34 grants were awarded for the design and implementation of improved reading education programs.

Objectives for 1976: In fiscal year 1976, the Right to Read program will begin implementing Title VII of P.L. 93-380. Previously, the program was authorized by the Cooperative Research Act. Under the new legislation 44 reading improvement projects will be funded, 20 special emphasis projects, and 50 reading academies. In addition, one program evaluation project will be funded.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

ACTIVITY: Follow Through (Head Start - Follow Through Act of 1974, P.L. 93-644)

1975 Estimate	1975 Revised	1976	
		Authorization	Budget Estimate
$53,000,000	$47,000,000	$60,000,000	$41,500,000

Purpose: This program is an experimental program designed to develop and test effective ways of educating disadvantaged children in the early primary grades (K-3). The program is to be phased out beginning in September, 1975.

Explanation: Grants are awarded to local school districts most of which are assisted in the implementation of educational approaches developed by sponsoring agencies or groups. Twenty-two sponsors and 169 projects testing the models comprise this experiment together with a national longitudinal evaluation of the 10 most frequently implemented approaches.

Accomplishments in 1975: The bulk of the $47,000,000 will forward fund activities in school year 1975-76, the first year of phase-out when no new children will be enrolled in the program at the entry level. Phase-out will continue at the rate of one grade level per year. Therefore, the group that entered the program for the first time in September, 1974 was the last new group to enroll and school year 1977-78 will be the last year of program operation. During 1975-76, Federal support for those children already in the program (grades 1-3) will be maintained, as will support for most other components of program operation, albeit at reduced levels. In fiscal year 1976 the Administration is proposing a rescission of $6,000,000.

Objectives for 1976: The $41,500,000 request will provide $9,792,000 to complete the funding of the 1975-76 school year and $31,708,000 to forward fund activities in school year 1976-77, the second year of phase-out when only grades 2 and 3 will be in operation. In accordance with phase-out, reductions will be made in most program components including site support, sponsor costs, supplementary training of paraprofessionals and State technical assistance. However, costs for evaluation activity in this next to last year of program operation will increase by $3,702,000 from FY 1975 to $6,039,000 in order to complete the national longitudinal evaluation and to conduct a cost study and fourth grade follow up on assessing model effectiveness.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity/Subactivity: Educational broadcasting facilities

1975 Estimate	1975 Revised	1976	
		Authorization	Budget Estimate
$12,000,000	$7,000,000	1/	$7,000,000

1/ The Education Broadcasting Facilities Program is authorized at $30 million for fiscal year 1975, the last of a 2-year authority.

Purpose: This program is designed to improve and extend the delivery of educational programs through the use of technology-based systems.

Explanation: This program was authorized by Part IV of Title III of the Communications Act of 1934, as amended. This legislation was extended in 1973 to continue the Corporation for Public Broadcasting and the broadcast facilities program. Facilities purchased with matching grants from this program enable States and locally-controlled public television and radio stations to air educational and community-service programs. Public broadcasting stations provide national and local audiences with TV programs as an alternative to programs offered by commercial stations and networks. New legislation is being proposed for 1976. In fiscal year 1975 the Administration is requesting a rescission of $5,000,000.

Accomplishments in 1975: Educational broadcasting facilities program will help improve the facilities of 15 educational television stations and 15 radio stations. Grants also will help activate 3 new educational television stations and 6 radio stations. By the end of 1975, almost 80% of the nation will be able to receive educational television signals; around 65% will be capable of receiving educational radio signals.

Objectives for 1976: Educational broadcasting facilities program grants with $7 million will assist in the improvement or expansion of 10 educational television stations and 7 radio stations. Support will also be given to help activate 3 new educational television non-commercial stations and 6 educational radio stations.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity: Environmental Education

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$1,900,000	$1,900,000	$10,000,000	$ ---

Purpose: The goal of this program, which is authorized by the Environmental Education Act, P.L. 91-516, as amended by P.L. 93-278, is to help assure the availability of locally relevant, effective, and usable environmental education resources and thus promote adequate opportunities for citizens, particularly educational personnel, to achieve "environmental literacy" for environmental improvement and stimulate States, local educational agencies and others to support environmental education programs.

Explanation: Funds for this program are awarded on a competitive basis to any non-profit agency, institution or organization for carrying out environmental education demonstration projects.

Accomplishments in 1975: In fiscal year 1975, 85 projects received support for the development of resource materials, the training of educational personnel, pilot elementary, secondary and community education projects.

Objectives for 1976: No funds are requested for the program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
Title I, Assistance for Educationally Deprived Children
Parts A, B, and C

State or Outlying Area	1975 Part A	1975 Part B	1975 Part C
TOTAL	$1,813,396,802 1/	$14,000,000	$38,000,000
Alabama	42,342,274	---	321,186
Alaska	4,927,457	344,123	82,462
Arizona	16,491,799	---	261,335
Arkansas	26,282,332	---	210,492
California	150,576,489	---	4,560,000
Colorado	16,909,275	77,851	429,533
Connecticut	16,823,513	52,170	757,626
Delaware	5,358,082	109,830	---
Florida	62,916,518	---	926,063
Georgia	46,497,190	---	489,859
Hawaii	5,147,101	---	202,576
Idaho	5,794,025	---	65,689
Illinois	91,968,259	---	3,587,211
Indiana	24,847,116	---	403,981
Iowa	15,938,716	35,758	237,504
Kansas	13,869,391	---	256,005
Kentucky	33,285,694	---	285,505
Louisiana	50,727,715	759,994	572,884
Maine	6,817,915	239,965	62,067
Maryland	30,034,920	158,312	860,837
Massachusetts	35,071,272	221,634	1,540,227
Michigan	75,651,842	2,100,000	2,606,856
Minnesota	27,065,955	1,756,548	562,463
Mississippi	40,776,116	---	275,162
Missouri	31,904,779	---	557,742
Montana	5,985,565	143,732	70,348
Nebraska	9,215,027	---	135,467
Nevada	2,361,709	---	55,821
New Hampshire	3,365,779	---	65,613
New Jersey	55,536,809	1,103,357	2,630,473
New Mexico	15,124,928	698,871	153,456
New York	209,551,946	2,100,000	4,560,000
North Carolina	53,568,953	---	517,424
North Dakota	5,666,1[illegible]	---	38,408
Ohio	58,345,686	---	1,360,657
Oklahoma	20,864,081	---	229,709
Oregon	17,011,162	392,989	337,222
Pennsylvania	87,407,222	1,372,627	2,369,863
Rhode Island	6,581,981	---	244,404
South Carolina	33,843,763	---	286,613

State or Outlying Area	1975 Part A	1975 Part B	1975 Part C
South Dakota	6,260,213	---	78,688
Tennessee	39,013,032	---	375,513
Texas	122,067,077	---	1,495,667
Utah	6,015,638	173,307	156,906
Vermont	3,758,896	370,341	25,438
Virginia	38,897,610	---	590,196
Washington	24,441,509	433,544	666,509
West Virginia	17,496,096	---	185,059
Wisconsin	28,368,191	1,155,445	501,413
Wyoming	2,761,820	199,602	30,542
District of Columbia	11,228,389	---	741,355
Outlying areas	21,219,790	---	---
Puerto Rico	29,410,052	---	---

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[1] Appropriation, $1,876,000,000: Part A, $1,792,177,012; Outlying areas, $21,219,790; Part B, $14,000,000; Part C $38,000,000; Studies, $3,450,000; Evaluation, $6,400,000; additional reserve for Handicapped, $750,500; Undistributed, $2,698.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
Title III of the Elementary and Secondary Education Act

State or Outlying Area	1974 Actual	1975 Estimate[1]	1975 Revised[1]	1976 Estimate[2]
TOTAL	$146,081,480	$119,775,000	$119,775,000	$ ---
Alabama	2,449,468	2,008,862	2,008,862	---
Alaska	539,162	511,694	511,694	---
Arizona	1,425,468	1,277,859	1,277,850	---
Arkansas	1,483,609	1,273,489	1,273,489	---
California	12,658,630	10,180,656	10,180,656	---
Colorado	1,670,727	1,451,951	1,451,951	---
Connecticut	2,119,208	1,765,468	1,765,468	---
Delaware	681,038	619,436	619,436	---
Florida	4,337,343	3,692,024	3,692,024	---
Georgia	3,168,026	2,607,665	2,607,665	---
Hawaii	808,632	731,565	731,565	---
Idaho	787,531	709,132	709,132	---
Illinois	7,241,043	5,803,553	5,803,553	---
Indiana	3,558,086	2,878,319	2,878,319	---
Iowa	2,028,533	1,693,313	1,693,313	---
Kansas	1,664,413	1,380,778	1,380,778	---
Kentucky	2,268,436	1,887,976	1,887,976	---
Louisiana	2,643,632	2,172,413	2,172,413	---
Maine	[illegible]	826,156	826,156	---
Maryland	2,729,193	2,260,476	2,260,476	---
Massachusetts	3,740,907	3,053,879	3,053,879	---
Michigan	6,011,623	4,836,371	4,836,371	---
Minnesota	2,707,362	2,200,052	2,200,052	---
Mississippi	1,726,636	1,442,652	1,442,652	---
Missouri	3,145,863	2,568,398	2,568,398	---
Montana	778,266	691,792	691,792	---
Nebraska	1,225,347	1,057,087	1,057,087	---
Nevada	638,079	596,786	596,786	---
New Hampshire	782,786	707,989	707,989	---
New Jersey	4,687,347	3,836,489	3,836,489	---
New Mexico	1,002,483	885,036	885,036	---
New York	11,317,079	9,072,326	9,072,326	---
North Carolina	3,563,921	2,905,551	2,905,551	---
North Dakota	731,038	633,615	633,615	---
Ohio	[illegible]	5,191,259	5,191,259	---
Oklahoma	1,827,374	1,519,157	[illegible]	---
Oregon	1,574,806	1,362,169	1,362,169	---
Pennsylvania	7,335,981	6,007,767	6,007,767	---
Rhode Island	887,333	782,683	782,683	---
South Carolina	1,933,936	1,628,567	1,628,567	---

State or Outlying Area	1974 Actual	1975 Estimate 1/	1975 Revised 1/	1976 Estimate 2/
South Dakota	759,238	672,376	672,376	$ ---
Tennessee	2,685,524	2,221,769	2,221,769	---
Texas	7,439,729	6,053,003	6,053,003	---
Utah	1,018,080	899,611	899,611	---
Vermont	614,620	564,186	564,186	---
Virginia	3,155,554	2,583,855	2,583,855	---
Washington	2,373,199	1,924,986	1,924,986	---
West Virginia	1,368,140	1,165,073	1,165,073	---
Wisconsin	3,087,703	2,526,368	2,526,368	---
Wyoming	552,486	511,937	511,973	---
District of Columbia	760,407	671,494	671,494	---
American Samoa	188,028	123,093	123,093	---
Guam	262,424	255,038	255,038	---
Puerto Rico	3,144,654	1,768,025	1,768,025	---
Trust Territory	282,758	279,212	279,212	---
Virgin Islands	210,427	217,806	217,806	---
BIA	296,649	322,601	322,601	---
Adjustment	-67,000			

1/ Estimated distribution of $120,000,000 with $225,000 reserved for the Advisory Council and $119,775,000 distributed as per memorandum from the Office of General Council, 2/23/68. One percent of $119,775,000 reserved for the outlying areas.

2/ In fiscal year 1976, funds for this program will be provided under Title IV, Part C, Consolidation.

DEPARTMENT OF HEALTH EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
Title IV, Part C, Educational Innovation and Support

State or Outlying Area	1975 Actual 1/	1976 Estimate 3/	1977 Estimate 3/
TOTAL	$ ---	$168,952,375	$172,888,000
Alabama	---	2,903,412	2,946,602
Alaska	---	733,014	310,685
Arizona	---	1,925,516	1,739,836
Arkansas	---	1,830,010	1,622,103
California	---	14,020,378	15,985,562
Colorado	---	2,153,263	2,014,547
Connecticut	---	2,523,532	2,462,588
Delaware	---	878,251	480,744
Florida	---	5,213,364	5,608,683
Georgia	---	3,780,898	4,002,932
Hawaii	---	1,047,673	686,777
Idaho	---	1,026,840	660,615
Illinois	---	7,947,805	9,000,055
Indiana	---	4,101,135	4,382,294
Iowa	---	2,415,507	2,341,584
Kansas	---	1,939,426	1,752,918
Kentucky	---	2,710,786	2,701,325
Louisiana	---	3,185,435	3,332,506
Maine	---	1,188,006	850,296
Maryland	---	3,273,927	3,391,373
Massachusetts	---	4,258,254	4,549,083
Michigan	---	6,848,227	7,734,423
Minnesota	---	3,204,387	3,316,154
Mississippi	---	2,136,807	2,034,169
Missouri	---	3,594,490	3,741,302
Montana	---	997,205	627,911
Nebraska	---	1,502,657	1,236,199
Nevada	---	857,935	451,311
New Hampshire	---	1,016,229	647,533
New Jersey	---	5,289,554	5,821,257
New Mexico	---	1,304,711	1,010,544
New York	---	12,132,324	13,853,283
North Carolina	---	3,999,809	4,235,128
North Dakota	---	927,398	546,152
Ohio	---	7,774,074	8,784,211
Oklahoma	---	2,195,683	2,037,440
Oregon	---	[illegible]	[illegible]
Pennsylvania	---	8,114,073	9,137,411
Rhode Island	---	1,091,333	732,563
South Carolina	---	2,381,203	2,312,151

State or Outlying Area	1975 Actual 1/	1976 Estimate 2/	1977 Estimate 3/
South Dakota	---	957,654	578,855
Tennessee	---	3,168,822	3,224,584
Texas	---	8,586,199	9,706,455
Utah	---	1,323,732	1,023,625
Vermont	---	798,549	382,633
Virginia	---	3,713,306	3,891,7[illegible]
Washington	---	2,763,343	2,737,299
West Virginia	---	1,641,217	1,380,096
Wisconsin	---	3,632,561	3,852,495
Wyoming	---	723,753	291,063
District of Columbia	---	912,548	506,907
Puerto Rico	---	2,709,424	2,801,293
American Samoa) Guam) Trust Territory) Virgin Islands)	---	1,680,965	1,711,762

1/ In FY 1975, Title IV, Part C was not in effect and all appropriated funds were used for categorical programs.

2/ Total appropriations, 172,888,000 with 1% ($1,711,762) of the 50 States, D.C., and Puerto Rico amount reserved for the outlying areas, Bureau of Indian Affairs and Department of Defense. Distribution of funds under provisions of Sec. 401(c)(2): 50% amount, $86,444,000; P.L. 89-10, Title III amount, $63,781,500, P.L. 89-10, Title V amount, $9,712,500; Dropout Prevention, Sec. 807, $2,000,000 and Nutrition and Health, Sec. 808, $950,000. A total of $2,000,000 for Dropout Prevention, $950,000 for Nutrition and Health and $985,625 for Title V are not distributed by State but in accordance with the discretion of the Commissioner.

3/ Distribution of $172,888,000 with 1% ($1,711,762) reserved for the areas, BIA and DOD and the remainder distributed on the basis of the 5-17 population 7/1/73 for 50 States, D.C., and 4/1/70 for Puerto Rico.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
Title V, Part A, of the Elementary and Secondary Education Act

State or Outlying Area	1974 Actual	1975 Estimate[1/]	1975 Revised[2/]	1976 Estimate[3/]
TOTAL	$32,936,820	$32,941,250	$24,705,938	$ ---
Alabama	592,120	580,861	433,386	---
Alaska	288,664	286,806	214,398	---
Arizona	448,433	455,204	353,998	---
Arkansas	447,080	445,238	331,367	---
Califronia	2,187,405	2,146,901	1,607,056	---
Colorado	490,477	492,762	370,517	---
Connecticut	533,505	530,891	400,405	---
Delaware	309,946	307,441	230,445	---
Florida	874,667	888,785	677,505	---
Georgia	712,[illegible]6	710,141	533,661	---
Hawaii	330,392	327,519	244,945	---
Idaho	331,006	328,649	248,325	---
Illinois	1,253,452	1,240,462	926,558	---
Indiana	770,546	765,015	572,333	---
Iowa	527,658	523,160	388,965	---
Kansas	464,795	450,995	334,797	---
Kentucky	555,969	551,899	413,984	---
Louisiana	610,934	607,171	456,109	---
Maine	356,769	356,361	266,250	---
Maryland	640,769	638,788	478,046	---
Massachusetts	753,894	757,455	571,608	---
Michigan	1,178,968	1,176,659	863,856	---
Minnesota	637,366	634,052	474,635	---
Mississippi	475,708	472,592	353,535	---
Missouri	683,359	684,752	512,636	---
Montana	328,024	325,851	242,888	---
Nebraska	392,905	389,532	290,987	---
Nevada	307,917	306,322	231,230	---
New Hampshire	322,173	321,670	242,709	---
New Jersey	882,795	881,827	659,576	---
New Mexico	372,970	370,956	278,368	---
New York	1,732,748	1,735,422	1,285,717	---
North Carolina	747,643	740,070	561,513	---
North Dakota	313,900	310,482	232,151	---
Ohio	1,278,293	1,271,405	944,910	---
Oklahoma	516,218	506,595	379,360	---
Oregon	454,328	449,436	339,768	---
Pennsylvania	1,249,677	1,245,553	926,802	---
Rhode Island	333,352	330,768	246,890	---
South Carolina	525,845	512,627	387,622	---

State or Outlying Area	1974 Actual	1975 Estimate 1/	1975 Revised 2/	1976 Estimate 3/
South Dakota	$ 322,663	$ 319,270	$ 238,267	$ ---
Tennessee	630,490	626,521	475,376	---
Texas	1,435,061	1,404,300	1,073,396	---
Utah	381,712	379,727	285,447	---
Vermont	297,473	295,730	221,949	---
Virginia	704,669	701,322	533,474	---
Washington	591,588	583,860	438,981	---
West Virginia	422,750	423,568	318,343	---
Wisconsin	673,500	670,099	502,205	---
Wyoming	289,525	287,095	215,317	---
District of Columbia	313,098	309,801	231,430	---
American Samoa	73,165	74,589	56,496	---
Guam	80,264	85,129	63,671	---
Puerto Rico	345,313	550,470	414,883	---
Trust Territory	82,638	87,990	66,070	---
Virgin Islands	77,445	81,704	60,822	---

1/ Estimated distribution of $34,675,000 with 5% ($1,733,750) reserved for Sec. 505; 1% for the outlying areas, the remainder distributed with 40% in equal payments and 60% on the basis of public school elementary and secondary enrollment, Fall 1972. The amount for the areas is distributed with a basic amount of $70,000 and the balance on the public school enrollment.

2/ Estimated distribution of $26,006,000 with 5% ($1,300,312) reserved for Sec. 505; 1% ($247,069) of balance reserved for outlying areas and the balance distributed with a basic amount of $188,145 to the 50 States, D.C., and Puerto Rico; the remainder distributed on the basis of the public school elementary and secondary enrollment.

3/ In fiscal year 1976, funds for this program will be provided under Title IV, Part C, Consolidation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
Title V, Part C, of the Elementary and Secondary Education Act

State or Outlying Area	1974 Actual	1975 Estimate[1]	1976 Revised[2]	1976 Estimate[3]
TOTAL	$4,749,408	$4,750,000	$3,562,500	$ ---
Alabama	83,738	83,269	62,484	---
Alaska	40,748	40,520	30,462	---
Arizona	61,728	62,430	48,409	---
Arkansas	62,934	63,032	47,510	---
California	311,266	309,188	233,766	---
Colorado	67,349	67,794	51,799	---
Connecticut	78,063	77,371	57,651	---
Delaware	44,080	43,811	32,793	---
Florida	131,657	134,445	107,088	---
Georgia	99,679	99,481	75,382	---
Hawaii	47,209	47,088	35,501	---
Idaho	46,491	46,272	35,027	---
Illinois	187,960	186,571	137,144	---
Indiana	107,535	106,878	79,809	---
Iowa	75,245	74,749	55,348	---
Kansas	67,078	66,509	49,566	---
Kentucky	80,880	80,394	60,309	---
Louisiana	86,528	86,172	64,332	---
Maine	50,216	49,897	37,478	---
Maryland	90,781	90,318	67,593	---
Massachusetts	114,551	113,699	84,455	---
Michigan	157,760	156,730	117,051	---
Minnesota	88,790	88,031	65,844	---
Mississippi	66,983	66,349	50,099	---
Missouri	100,397	99,668	74,344	---
Montana	46,125	45,750	34,394	---
Nebraska	56,934	56,611	42,380	---
Nevada	43,417	43,302	32,793	---
New Hampshire	46,775	46,526	35,116	---
New Jersey	135,449	134,472	99,577	---
New Mexico	50,663	50,565	38,219	---
New York	285,031	281,847	206,132	---
North Carolina	106,370	106,008	80,136	---
North Dakota	45,015	44,653	33,426	---
Ohio	181,960	179,589	133,250	---
Oklahoma	71,724	71,392	53,9[illegible]	---
Oregon	65,480	65,399	49,[illegible]26	---
Pennsylvania	197,698	195,413	144,102	---
Rhode Island	49,498	49,134	36,391	---
South Carolina	72,171	72,127	54,646	---

State or Outlying Area	1974 Actual	1975 Estimate[1/]	1975 Revised[2/]	1976 Estimate[3/]
South Dakota	45,638	45,269	33,871	---
Tennessee	90,604	90,639	67,939	---
Texas	191,291	191,386	146,227	---
Utah	51,340	51,248	38,723	---
Vermont	42,658	42,326	31,775	---
Virginia	100,438	99,909	75,639	---
Washington	83,128	81,892	61,485	---
West Virginia	60,455	60,183	44,851	---
Wisconsin	97,092	96,712	72,258	---
Wyoming	41,100	40,801	30,679	---
District of Columbia	46,708	46,232	34,276	---
American Samoa	8,119	7,665	5,748	---
Guam	9,227	13,872	10,404	---
Puerto Rico	59,517	72,449	53,935	---
Trust Territory	8,796	14,509	10,882	---
Virgin Islands	9,341	11,454	8,591	---

1/ Estimated distribution of $4,750,000 with 1% ($47,500) for outlying areas and the balance distributed with 40% in equal payments and 60% distributed on the basis of total resident population, July 1, 1973 for 50 States and D.C., and April 1, 1970 for Puerto Rico.

2/ Estimated distribution of $3,562,500 with 1% ($35,625) reserved for outlying areas, and the balance distributed with 40% in equal payments ($27,130) and 60% distributed on the basis of total resident population, July 1, 1973 for 50 States and D.C., and April 1, 1970 for Puerto Rico. Amount for the areas distributed with 40% in equal payments and 60% on the basis of total resident population, April 1, 1970.

3/ In fiscal year 1976 funds for this program will be provided under Title IV, Part C, Consolidation.

Justification

Elementary and Secondary Education

	1976 Estimate	Interim Estimate July 1 - Sept. 30
Grants for disadvantaged	$1,900,000,000	--- 1/
Support and Innovation grants. .	172,888,000	-- 1/
Bilingual education	70,000,000	---
Right to Read	12,000,000	---
Follow Through.	41,500,000	---
Educational Broadcasting facilities	7,000,000	---
Total	2,203,388,000	--- 1/

1/ No funds are requested for this interim period, however, money requested as advance funding for Titles I and IV of the Elementary and Secondary Education Act are available from July 1, 1976 through September 1977.

Narrative

No funds are being requested for any of the above programs for the period July 1 through September 1976, since the programs either do not normally obligate this period or in the case of Titles I and IV funds requested under the Advance funding authority will be available for this period.

The entire 1976 advance appropriation--which will cover the project period July 1, 1976 to June 30, 1977--will be made available to the States during the interim period. The appropriations to cover the next project period--July 1, 1977 to June 30, 1978--will be requested in the regular FY 1977 budget and no new appropriation action will be required during the interim period.

TUESDAY, MARCH 11, 1975.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

WITNESSES

ROBERT R. WHEELER, ACTING DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS

ACCOMPANIED BY—

DR. T. H. BELL, COMMISSIONER OF EDUCATION

THOMAS J. BURNS, ASSOCIATE COMMISSIONER FOR STATE AND LOCAL EDUCATION PROGRAMS

WILLIAM STORMER, ACTING DIRECTOR, DIVISION OF SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

MRS. CORA P. BEEBE, ACTING BUDGET OFFICER

DR. ALBERT ALFORD, ASSISTANT COMMISSIONER FOR LEGISLATION

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. We will now take up school assistance in federally affected areas, generally referred to as impact aid. I think everybody has heard about that before.

The presentation will be made by Robert R. Wheeler, Acting Deputy Commissioner for School Systems.

I see you are accompanied by Dr. Bell, Commissioner of Education. We will also include your biographical sketch, Mr. Wheeler.

[The biographical sketch follows:]

Name, Robert R. Wheeler.

Position, Acting Deputy Commissioner for School Systems.

Birthplace and date, Omaha, Nebr., April 10, 1921.

Education, undergraduate degree, Lincoln University, Jefferson City, Mo. Master of science degree, Columbia University, New York, in the field of guidance and counseling. Additional graduate work in the field of educational psychology, guidance and counseling and educational administration: University of Kansas City, University of Kansas, and University of California at Berkeley. Honorary doctor of laws degree—Lincoln University.

Experience: Present, Acting Deputy Commissioner for School Systems, U.S. Office of Education; 1972–74, Associate Commissioner for Elementary and Secondary Education, U.S. Office of Education; 1966–71, Assistant superintendent, Division of Urban Education, Kansas City, Mo. schools; 1965–66, director of urban special services, Oakland, Calif., School district; 1963–64, director of special scholarships, Kansas City schools; 1962, vice principal, Kansas City schools; 1956–61, counselor, Kansas City schools; 1955, teacher, Kansas City schools.

Association memberships, vice president, Missouri Council on Education. Member: executive committee, Kansas City Chapter of Missouri, Association for Social Welfare, American Association of School Administrators, Missouri Association of School Administrators, National Education Association, Missouri Education Association, Education Council, Chamber of Commerce, National Panel, American Arbitration Association, Rotary Club of Kansas City, Missouri, Theta Poule, Sigma Pi Phi Fraternity, Steering Committee, Y.M.C.A.

INTRODUCTIONS

Mr. FLOOD. Do you have people with you whom you want us to know on this?

Mr. WHEELER. Yes, I do, sir.

Mr. Thomas Burns, Acting Associate Commissioner for State and Local Education Programs, and the Acting Director of the Division for School Assistance in Federally Impacted Areas, Mr. William Stormer. Of course, you know the Commissioner and you know Charlie Miller from the Department, the Deputy Assistant Secretary, Comptroller.

TRIBUTE TO MR. CHERRY

Mr. FLOOD. First of all, I would like to say this subcommittee was sorry to hear of the death last fall of Mr. Cherry.

Mr. Cherry was associated with the program for over 20 years. He was Director since 1968. He knew everything that there was to know about impact aid. We will certainly miss him. I hope you have someone who can come close to filling his shoes. It will be quite an assignment.

I see you have a prepared statement, Mr. Wheeler.

What do you want to do about that?

Mr. WHEELER. I would like to read the prepared statement, Mr. Chairman, and then answer any questions that you or members of the committee may have.

Mr. FLOOD. All right.

GENERAL STATEMENT

Mr. WHEELER. Mr. Chairman and members of the committee, I welcome this opportunity to appear before you on the School Assistance in Federally Affected Areas appropriation. This appropriation includes Public Law 874, maintenance and operations, and Public Law 815, construction. At this time, we are requesting $56 million to be appropriated in 1976. We are also requesting $5 million for the interim period July 1 through September 30, 1976. A supplemental request of $210 million will be transmitted at a later date, pending the enactment of proposed legislation.

MAINTENANCE AND OPERATIONS

The amount of $46 million is requested for maintenance and operations. This amount will be sufficient to fund entitlements under section 6. Entitlements under section 6 provide the full cost of educating children who reside on Federal property in States where, due to State law or for other reasons, local school districts are unable to provide suitable free public education for such children. Federal support for schools operated under section 6 cannot be terminated until the Commissioner of Education and the Secretary of the Federal department concerned jointly determine, after consulting with the appropriate State education agency, that a local agency is able to provide suitable free public education for the children attending such schools. There are section 6 schools in operation in Quantico, Myrtle Beach Air Force Base, Fort Benning, and at West Point, to name a few. In all, such projects number 27, are located in 12 States and Puerto Rico, and educate approximately 42,000 elementary and secondary schoolchildren.

The amount of $5,000,000 is requested for section 6 for the interim period. These funds will provide support for 2 months of summer school, July and August of the 1975–76 school year, and for the opening of school in September, the first month of the 1976–77 school year.

We are not at this time requesting funds for the other sections of the program which were substantially altered by the Education Amendments of 1974. In addition to many changed authorization levels, Public Law 93–380 establishes a complex three-tier funding formula and even more complex hold-harmless provisions that would cause any reductions in payments to individual school districts to take place gradually over a period of years.

We believe current impact aid payments result in unjustified payments to many local school districts, and thus constitute an inequitable use of Federal funds. Facing this kind of inequity in a program which has continued to grow in appropriations, the administration proposes to simplify impact aid and focus its benefits on only districts which can truly be said to suffer a Federal impact. Entitlements under our proposal will be computed at the same levels that appropriations in recent years have provided. Payments will require the absorption of not more than 5 percent of the school districts' previous year's current operating budget. Of the estimated 3,500 school districts which will not receive payments under this proposal, approximately 2,400 will lose less than 2 percent of their total operating budget.

ASSISTANCE FOR CONSTRUCTION (PUBLIC LAW 815)

Ten million dollars is requested to provide financial assistance to local school districts for the construction of school facilities in areas where enrollments are increased by Federal activities, a decrease of $10 million over the 1975 level.

Approximately $4,275,000 will be used for section 5 which will relieve impact caused by military installations in overcrowding the school facilities of local educational agencies. Approximately $4,725,000 will be used for section 14 which aids school construction for children residing on Indian lands.

An estimated 15 projects funded under these two sections will provide new school facilities for approximately 3,500 pupils in 130 classrooms and related facilities.

In addition, $1 million is requested under section 10 for emergency repairs at some 156 existing federally owned school facilities located on approximately 68 military installations, in order to protect the capital investment the Federal Government already has in these school facilities.

Thank you, Mr. Chairman. My associates and I will be happy to answer any questions you may have.

PROPOSED LEGISLATION

Mr. FLOOD. The budget once again proposes to reduce the impact aid program by means of proposed legislation.

Mr. WHEELER. Yes, sir.

Mr. FLOOD. Has this proposed legislation been submitted to Congress?

Mr. WHEELER. It has been; yes.

Mr. FLOOD. Has it been introduced in either the House or the Senate?

Mr. WHEELER. No; it has not been.

Mr. FLOOD. Do you have any idea who is going to introduce it in the House?

Mr. **Wheeler.** I would not want to speculate on that, Mr. Chairman.

Mr. **Flood.** Suppose you briefly describe the legislative proposal. How will it change the present law?

Mr. **Stormer.** Basically the proposal computes entitlements as they are computed this year. It would be the sum of 100 percent for A's in the heavily impacted districts, 90 percent for A's in the lesser impacted districts, 68 percent of the B entitlement, then deduct 5 percent of the preceding year's (fiscal year 1975) total current expenditures from that entitlement.

CHANGE FROM PRESENT LAW

Mr. **Flood.** Where specifically is the change in the present law?

Mr. **Stormer.** The law which becomes effective in fiscal year 1976 requires several computations, for various categories of A children and different categories of B children than what we currently have, plus tier funding or three-level funding in fiscal year 1976.

I can give you an illustration.

Mr. **Wheeler.** Mr. Chairman, one of the reasons that we are proposing new legislation is that the new law drastically increases the complexity and difficulty of making the calculations for the school districts' allocations.

We have some illustrations here, one copy for you and copies for other members of the committee. It is an extremely complex and confusing operation. If you want us to go into an explanation of it, we can, but in any case we would like to give copies to the committee members so they have an understanding of what we have to do.

Essentially what happens is that the number of calculations needed——

Mr. **Flood.** This is the point in the record where we want you to discuss the change in the present law. You are coming up with a new law.

What is the difference between that and the present law? Is it so complicated? There must be one or two major things that stand out on this.

Mrs. **Beebe.** We have a section-by-section analysis of the bill which we will be happy to provide to you now or for the record.

[The analysis follows:]

SECTION-BY-SECTION ANALYSIS OF A BILL TO REDUCE PAYMENTS UNDER THE IMPACT AID PROGRAM

The first section of the bill would repeal the amendments made to the impact aid program which were made by Public Law 93–380, and which were to have been effective July 1, 1975.

Section 2 of the bill contains a number of amendments to the impact aid program.

Subsection (a)(1) would eliminate payments under section 3(a) for children whose parents are employed on Federal property in a State other than the State in which the school district is located. A provision would also be added to section 3(a) to authorize children residing on Indian lands to be counted as "A" children.

Subsection (a)(2) extends the authorization for payments under section 3(b) through the end of fiscal year 1978. (There is no limit to the duration of authorization for payments under section 3(a).)

Subsection (a)(3) would eliminate payments under section 3(b) of the act for children whose parents are employed on Federal property in a State other than the State in which the school district is located.

Subsection (a)(4) would retain an amendment to section 3(b) of the act contained in Public Law 93-380 which eliminates payments for children the education of whom is provided for under section 2(b)(4) of the Migration and Refugee Assistance Act of 1962.

Subsection (a)(5) would repeal an amendment made by Public Law 93-380 which requires 100 percent of entitlements to be paid to school districts with more than 25 percent "A" children.

Subsection (b)(1) revises the payments provision in section 5 of the act to authorize reduced payments to school districts. A payment rate would be established for each category under the act. School districts would then be entitled to payment at that rate less 5 percent of their current expenditures during the preceding fiscal year. The payment rates would be as follows:

A. 100 percent of entitlements under section 2;

B. 100 percent of section 3(a) entitlements for high impact "A" districts;

C. 90 percent of section 3(a) entitlements for low impact "A" districts;

D. 68 percent of section 3(b) entitlements;

E. 100 percent of the special entitlements under section 3(c)(4) (authorizing increases in entitlements under certain circumstances) and section 3(e) (adjustments for certain decreases in Federal activities); and

F. 100 percent of entitlements under section 4. The Commissioner would be authorized to use data from the preceding fiscal year for the purpose of determining entitlements. This provision would eliminate the need for new surveys to be conducted and other data collected in the case of those school districts which are not likely to receive funds under the reduced payment rate.

Subsection (b)(2) would repeal the provisions of section 5 of the act providing for adjustments where necessitated by appropriations and prohibiting payments to districts in those States which consider payments under impact aid in their State-aid formulas.

Subsection (d) would establish the effective date made by the amendments of this act as of July 1, 1975.

A BILL To amend the program of financial assistance for local educational agencies in areas affected by Federal activity to reduce payments to certain local educational agencies, and for other purposes.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That effective on the date of enactment of this Act, section 305 of the Education Amendments of 1974 and the amendments made by that section to the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) are repealed.

AMENDMENTS TO SECTIONS 3 AND 5 OF PUBLIC LAW 874, EIGHTY-FIRST CONGRESS

SEC. 2. (a)(1) Section 3(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "or situated within a reasonable commuting distance from the school district of such agency" and by adding at the end of such section the following new sentences: "In making a determination under the preceding sentence with respect to a local educational agency for any fiscal year, the Commissioner shall include the number of children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such year, and who, while in attendance at such schools, resided on Indian lands, as described in clause (a) of section 403(1)."

(2) Section 3(b) of such Act is amended by striking out "July 1, 1975" both places it appears and inserting in lieu thereof "October 1, 1978".

(3) Section 3(b)(2) of such Act is amended by striking out "or situated within reasonable commuting distance from the school district of such agency".

(4) The second sentence of section 3(b) of such Act is amended by inserting immediately before the period at the end thereof, "except that the Commissioner shall not include in his determination under this sentence for any fiscal year any child with respect to whose education a payment was made under section 2(b)(4) of such Act".

(5) Section 3 of such Act is amended by striking out subsection (f).

(b)(1) Section 5(b) of such Act is amended to read as follows:

"PAYMENTS BY THE COMMISSIONER

"(b)(1) Notwithstanding the provisions of section 2, 3, and 4 of this title, the Commissioner shall pay to each local educational agency for the fiscal year ending June 30, 1976, and the two succeeding fiscal years, the total of the amounts specified in subparagraphs (A) through (F) of this paragraph less 5 per centum of the current expenditures for such agency during the preceding fiscal year:

"(A) 100 percentum of the amount such agency would receive under section 2 of this title;

"(B) in the case of an agency in which 25 per centum or more of the children in average daily attendance are eligible under section 3(a) of this title, 100 per centum of the amount such agency would receive under section 3(a) of this title;

"(C) in the case of an agency in which less than 25 per centum of the children in average daily attendance are eligible under section 3(a) of this title, 90 per centum of the amount such agency would receive under section 3(a) of this title;

"(D) 68 per centum of the amount such agency would receive under section 3(b) of this title;

"(E) 100 per centum of the amount such agency would receive under section 3(c)(4) and section 3(c) of this title; and

"(F) 100 per centum of the amount such agency would receive under section 4 of this title.

"(2) In determining the amount to be paid to any local educational agency under this subsection for any fiscal year beginning on or after July 1, 1976, the Commissioner may use data with respect to the number of children counted and the local contribution rate which were used for the purpose of determining entitlements under this title for the fiscal year ending June 30, 1975, unless such local educational agency demonstrates to the Commissioner that the amount which it would receive under this subsection would be increased by the use of more recent data.

"(3) Sums appropriated, for any fiscal year, to enable the Commissioner to make payments pursuant to this title shall, notwithstanding any other provision of law unless enacted in express limitation of this subsection, remain available for obligation and payments with respect to amounts due local educational agencies under this title for such fiscal year, until the end of the fiscal year succeeding the fiscal year for which such sums are appropriated."

(2) Section 5 of such Act is amended by striking out subsection (c) and paragraph (2) of subsection (d).

(c) Section 403(1)(C) of such Act is amended by striking out "(C) any low-rent housinig (whether or not owned by the United States) which is part of a low-rent housing project assisted under the United States Housing Act of 1937, section 516 of the Housing Act of 1949, or part B of title III of the Economic Opportunity Act of 1964, and (D)" and inserting in lieu thereof "and (C)".

(d) The amendments made by this section shall be effective on and after July 1, 1975.

AMENDMENTS TO HEW DRAFT BILL OF FEBRUARY 3, 1975—IMPACT AID COST REDUCTIONS

Insert on page 4 before the first sentence in paragraph (2):

"(2) The Commissioner shall, subject to the provisions of this subsection, from time to time pay to each local educational agency, in advance or otherwise, the amounts which he estimates such agency is entitled to receive under this title. Such estimates shall take into account the extent (if any) to which any previous estimate of the amount to be paid such agency under this title (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it.

Insert on page 5, between lines 5 and 6:

"(4) If the funds appropriated for any fiscal year for making payments under this title are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies will be entitled to receive under this title for such year, the Commissioner shall allocate such funds, other than so much thereof as he estimates may be required for carrying out the provisions of section 6, among the local educational agencies entitled to receive payments under paragraph (1) of this subsection in the proportion that the amount he estimates each such agency to be entitled to receive under that paragraph bears to the total amount which he estimates all such agencies will be entitled to receive under that paragraph."

Strike out lines 6 and 7 and insert in lieu thereof the following:

(2) Section 5 of such Act is amended by striking out subsection (c) and by amending subsection (d) to read as follows:

"Treatment of Payments by the States in Determining Eligibility for, and the Amount of, State Aid

"(d)(1) Except as provided in paragraph (2). . . . [This provision will be identical to subsection 5(d) as amended by section 305(a)(2) of Public Law 93-380 (pp. 48-49).]

Mr. **Flood.** Have you discussed this with the legislative committee?

Dr. **Bell.** Mr. Chairman, I think the best way to describe this is to indicate that only those districts that will suffer a 5-percent loss or greater in their budget would get impact aid. There are some exceptions to that in certain specific cases, but for the large number of school systems, to simplify the response, it would be only those school districts that would suffer a 5-percent or greater loss that would receive aid. In those cases they would get enough impact aid from A and B students to make up the difference. This essentially is what the administration proposes.

Mr. **Flood.** Essentially that is the change, what you propose, as against the new law.

Dr. **Bell.** Yes, sir.

COMPLEXITIES OF PUBLIC LAW 93-380 IN FISCAL YEAR 1976

Mr. **Miller.** I thought your original question, Mr. Chairman, was to describe to you some of the complexities in the new law that goes into effect in 1976 versus 1975.

Mr. **Flood.** That is right. By the "new law" I mean what we have now.

Mr. **Miller.** That is right.

Mr. **Flood.** By the "proposed law"—well, we can't do much with the new law.

Mr. **Miller.** I thought it might be worth while to have Dr. Bell or one of the other witnesses describe briefly to you the change in the coverage of B children.

Mr. **Flood.** I do, too.

Mr. **Miller.** Well, there is now a new concept called B-outs, and I thought one of the witnesses might want to describe that to you.

Dr. **Bell.** I thought we were discussing the administration proposal. I think Mr. Stormer would be the best one to describe that.

Mr. **Flood.** Don't get confused by what I mean by the "new law." There seem to be two new laws, the existing law as is and what you propose. By the "new law" I mean the existing law. You have a proposal already on top of that.

Mr. **Stormer.** If I might just refer you to the chart, it might be a quicker explanation.

If you flip back the overlays to the back page, these are illustrations of the types of children that we would have to be computing entitlement for under the law as it becomes effective July 1. Let's slip down to the bottom half of the page and use the B's as an illustration.

B-CHILDREN CATEGORIES

We would have to identify B's whose parents are in uniformed services. They would be entitled to 50 percent of a local contribution rate.

You would, also, have B's whose parents were residing on low rent housing property. They would be entitled to 45 percent of the local contribution rate. You would have B children whose parents are employed on Federal property within the county where the local educational agency exists. They would be paid at 45 percent of the local contribution rate.

You would have B children whose parents are employed on Federal properties located outside of the county in which the local educational agency exists. They would be paid at 40 percent of the local contribution rate. You may also have children who reside on low rent housing property outside of the county of the local educational agency.

In addition you would have B children whose parents are employed on Federal property outside of the State. If that existed, those children would not receive any entitlement under the existing legislation.

If we slip up to the A categories we have several illustrations of A category pupils where we pay either 100 or 90 percent. A child residing on Indian lands would be an A child paid at a rate of 100 percent of the local contribution rate. A child residing on other Federal lands whose parent is employed on Federal property, and the stipulation to identify pupils whose parents are employed on Federal property outside of the county, such pupils also would be entitled to a 90-percent rate. We have the confusion—when I say "confusion," I will explain that just a little bit later—of a child who resides on low-rent Federal property whose parent is in the uniform services. He too is an A-type child and can be paid at 100 percent of entitlement.

These are strictly illustrations of some of the complexities that you could get into, in terms of identifying the entitlement per child versus the contribution rate.

FUNDING OF ENTITLEMENT

The complexities increase when you go into how you fund the entitlements. The funding of the entitlements will not be proration as we know it in the current law. We will be funding on a tier formula basis. "Tier funding" means if we flip this page back in the first tier or first level, you would fund, assuming appropriations were sufficient, all of the entitlements under all of the various categories and subcategories at 25 percent of whatever that entitlement happened to be. That would include the funding of children who were associated with low-rent housing.

SECOND TIER FUNDING

Assuming that funds were available to go beyond tier 1, flip over to tier 2. In tier 2 type funding there are varying percentages of entitlement by subcategory which would be permitted to be paid.

A quick explanation—you would be able to pay all of that which is shown in white in this chart, according to the varying percentages. Note the exception that no payment would go to any child who is associated with low-rent housing in the second tier.

Another caveat is that all of the entitlements which are created and can be payable in the second tier must be paid or none of the entitlements in the tier 2 may be paid.

In other words, if we were looking at an A type youngster, you would have to pay the A youngsters at 100 percent in tier 2 and all other various categories, in order to accomplish the 100-percent payment of the A's in tier 2.

A variation on this is illustrated here on page 3: If a district has 25 percent or more A's, then all the A category children would be paid at the 100-percent rate. The above computations of entitlements and tier funding indicate a portion of the complexities of the new law. In addition, the four hold-harmless provisions and the equilization amendment also add to the complexities of administering this new act.

Dr. **Bell**. Mr. Chairman, I wonder if we are telling you more than you want to know about this detail. Are we going into more detail than you want?

Mr. **Flood**. When you say this is complicated, that is the understatement of at least this morning anyhow.

Dr. **Bell**. Yes. I think one other very important point ought to just be made for the record.

Mr. **Flood**. Go ahead.

STATE EQUALIZATION

Dr. **Bell**. The law also for the first time recognizes State equalization programs. It charges the Commissioner with the responsibility of adjudicating what is an adequate State equalization program. I am required to promulgate rules that will judge each State's equalization program. If a State has an equalization program that is up sufficiently high as to be determined by the Commissioner as being an adequate program, then the funds may be charged back to the State and not be an additional benefit to the local school districts.

The concept there is to avoid duplicate payment or a windfall, where there is a high-level equalization out of the State formula. The school district is already being compensated for these impact aid students, and therefore the money falls to the State.

We are just now getting ready to put that regulation into place as proposed rulemaking in the Federal Register.

LEGISLATIVE COMMITTEE REACTION

Mr. **Flood**. Have you discussed this with the legislative committees?

Mr. **Wheeler**. Yes.

Mr. **Flood**. What is their reaction?

Dr. **Bell**. We have had an oversight hearing before Congressman Perkins' committee about 2 weeks ago.

Mr. **Flood**. What was their reaction?

Dr. **Bell**. I think they acknowledged the great complexity of the legislation. They were also very much concerned about how my regulations might affect local districts, and how high we were going to set standards and what our criteria were going to be. We spent a long time on that.

I think they did acknowledge the great complexity of it, and I think they will be looking for ways to simplify it.

Dr. Alford. I might also indicate, Mr. Chairman, they were very much concerned about the fact that we do not have data which will give what each school district is entitled to under these provisions that go into effect on July 1.

Mr. Flood. Here we are, say, in the middle of March. Do you really expect this proposal you are talking about to be enacted before July 1, 1975?

Dr. Bell. We would be hopeful that it would, Mr. Chairman.

Mr. Flood. I know that, but that is about as far as you can go.

OBJECTIONS TO PUBLIC LAW 93–380

Last year Congress enacted new legislation for this impacted aid program. A great many changes were made in that, effective in fiscal year 1976. Apparently this legislation is not acceptable to the administration. That seems to be pretty clear, since you are not proposing to fund it anyhow.

What are your major objections to the new law?

Mr. Wheeler. One of the objections, Mr. Chairman, is that as we operate under the existing law, we are required to make only three calculations. In fiscal year 1976 we will be required to make—I think the last time we looked at that—about 56 calculations in order to get the allocations out. Mr. Stormer can explain some of the other reasons.

We are also concerned about the equitable distribution. The tone and intent of that legislation seeks, I think, to get the Commissioner to encourage States to make some effort to equalize the expenditures so that a comparable number of dollars are behind the education of each child in the States.

Mr. Stormer. The Education Amendments of 1974 have revised substantially the Public Law 874 authorization language. Entitlement formulas and methods of making payments are drastically changed. As a result, what was a complex law has become even more complex and confusing to both applicants and administrators.

In addition to the numerous calculations and the equalization amendment which Mr. Wheeler has mentioned, we feel that the following changes that are scheduled to go into effect in fiscal year 1976 make the law more complex than is desirable and in some instances reverse the tone of providing basic educational support. These changes include: creation of several subcategories of A children; establishment of new subcategories of B children to provide varying local contribution rates for children who reside on Federal property only, those whose parents are employed in the same county as the school district, those employed out of the county but in the same State, and those in the uniformed services; addition of a payment for handicapped children of parents in the uniformed services in both A and B categories equal to one and a half times the usual rate if a special program for their educational needs is being provided; provision of three tiers for making payments when appropriations are not sufficient to provide full entitlement; authorization of payment for low-rent housing children which must be used for programs and projects designed to meet the special educational needs of educationally deprived children from low-income families; modification and extension of assistance for decreases in Federal activities; and four hold-harmless provisions.

We anticipate major administrative problems with the majority of changes. Further, we do not believe that the changes sufficiently reform the inherent inequities in the program.

Mr. **Flood.** This new law is certainly complicated, and it is going to greatly affect payments to the school district.

REACTIONS OF STATES AND LOCAL DISTRICTS

Has your office been working with the States and the school districts?

Mr. **Wheeler.** Yes.

Mr. **Flood.** In trying to explain this new law, how it is going to affect them next year? Have you done that?

Mr. **Wheeler.** Yes. We started in October, Mr. Chairman, and had meetings with State people and with the local education people. Later on we developed a paper which we distributed to those groups and spelled out some widely diverging alternatives.

We sent them another communication which reduced those alternatives, and more or less enunciated what our judgment was, and our objectives. We have had some reactions to these papers, but I have to say that there is still a great deal of controversy.

Mr. **Flood.** What have you told them about next year's program?

Mr. **Stormer.** We have explained, sir, the method by which they would have to consider computing entitlements in the various categories, the fact that if they do receive, and they will receive in the first-tier funding funds for low rent housing type children and special education type children that they would have to earmark those funds and monitor them all the way through to completion of the expenditures on programs which would service those particular pupils. They are aware, I believe, of the complexities of the law and the problems of the three level funding, and that in the second level it is an all or nothing proposition.

Mr. **Flood.** A tough assignment for local school district people.

Mr. **Stormer.** It is very difficult for them at the present time to anticipate the entitlement that they may be able to receive, and budget for fiscal year 1976 school year.

ABILITY TO CARRY OUT PUBLIC LAW 93–380 IN FISCAL YEAR 1976

Mr. **Flood.** In the event that this committee decides to appropriate on the basis of the present law, will your office and the State and local people be prepared to carry out the law?

Remember now, I repeat again for the purposes of emphasis, this law is a mighty complicated law for 1976. Suppose you are confronted with a section like that, what about it?

Mr. **Wheeler.** Mr. Chairman, we are going to respond in the way we have always responded. When we have exhausted these possibilities, we will certainly do our best to see that the intention of this committee and of Congress is carried out. That is going to be a tough job because of the complexity and because of the newness of this law, but we are certainly going to follow the directions which we receive.

Mr. **Stormer.** I think in further response to that it might be indicated that we are working at full tilt, in order to have regulations necessary to implement the law as it becomes effective in 1976.

PUBLIC HOUSING PROVISIONS

Mr. FLOOD. Suppose you describe the new provisions relating to the public housing children. For instance, is the funding of the public housing provisions a mandatory part of the program?

Mr. STORMER. That is a mandatory part of the program in the first and third tiers or levels of payments.

Mr. FLOOD. What is the new provision in the law?

Mr. STORMER. The new provision requires that payments be made to those children associated with low-rent housing, and they will receive 25 percent of their entitlement in the first go round. They will not share in funds until the third tier funds are left.

In addition, the funds that are paid to the districts for those children must be utilized to provide compensatory educational programs for those particular children.

RELATIONSHIPS TO TITLE I

Mr. FLOOD. How does that relate to the children who are eligible for title I funding?

Mr. STORMER. Literally the funds would be given to the local educational agency. They would be utilized for compensatory educational programs which were not fully funded under the current title I program. If those kinds of programs were not in existence or did not require funds, they would go to any other eligible compensatory title I type program that exists within the district.

Thirdly they would be spent for compensatory education for any other pupils, within the school district.

IMPACT OF PUBLIC HOUSING PROVISION ON LARGE CITIES

Mr. FLOOD. Does the impact on the public housing provision—you know about this argument—benefit only the big cities?

Mr. STORMER. No. This is going to benefit a number of districts, big cities as well as urban and some suburban and rural school districts.

Mr. FLOOD. Let's put it this way then: What proportion of the funds will go to the big cities?

Mr. STORMER. At this point I cannot answer that, sir. We are attempting to get some estimates that might be able to give you a response to that, sir.

Mr. WHEELER. I think it is safe to say, Mr. Chairman, that by and large, since most of the public housing is located in the large cities, that the largest proportion under this particular provision would be going to the large cities. We don't have the exact figures for it.

DISASTER PROVISIONS

Mr. FLOOD. What changes are there on impact aid with reference to the disaster provisions, and how much disaster assistance have you paid thus far in fiscal year 1975?

Mr. STORMER. One of the provisions that changed in the law was that the funds necessary to take care of major disaster requirements could be taken from any appropriation or any funds which were appropriated and not expended at that point in time. Actually at the present time, if I am not mistaken, approximately $3 million has been expended for major disaster assistance in this fiscal year.

Mr. **Flood**. Check that and let us have it.

Mr. **Stormer**. I have the figure here. It is $3.9 million.

Actually at the present time we are taking it out of the 874 appropriation, with the assumption that if the 874 appropriation cannot handle it, we would request a supplemental.

EQUALIZATION UNDER NEW LAW

Mr. **Flood**. The new impact aid law made some pretty significant changes with reference to this matter of State equalization. That is a problem. We understand before the law was changed some school districts were receiving double payments, just for certain students. For instance, they got it under the State aid program and they also received it under the impact aid program, both of them.

What about this State equalization program under the new law? How will that affect the impact aid States?

Dr. **Bell**. The proposal that we now have for rulemaking would say, in effect, a school system or a State school system that has an equalization program that brings the school districts within 20 percent, that the spread is no greater than 20 percent in the funding per child, that then they would qualify for the money to fall into the State coffers, rather than into the local coffers.

The instructions we have had from the committees, and by reviewing the congressional intent, Mr. Chairman, is that they intended a very high standard of equalization. This is a very high standard. Our estimates now are—we may have to revise that on final data but it won't be much of a change—that only three States would qualify under the level that we have now set.

CONSTRUCTION

Mr. **Flood**. We haven't talked so far about the construction part of it. People forget about that almost entirely. The other thing is so complicated.

What is the present backlog of unfunded applications for Public Law 815?

Mr. **Wheeler**. It is about $300 million.

Mr. **Flood**. If a school district is found eligible for this construction assistance, but you don't have enough funds available to approve their application, what do you do, keep their application on file indefinitely or what?

Mr. **Stormer**. Yes, sir.

Mr. **Flood**. In view of our experiences, especially recently, wouldn't the need for construction change in 1 or 2 years? Don't those things change?

Mr. STORMER. Yes, sir, they do fluctuate, and literally two things can occur. One is the district will come in with an updated application to supplant the one that existed.

UPDATING CONSTRUCTION APPLICATIONS

Mr. FLOOD. How do you update an application that has been on file for several years?

Mr. STORMER. If it is on file for several years and we come around to the point of funding or potentially funding that application, we would resurvey the data, and it is possible that the application which was eligible, say, when it was filed in fiscal year 1969, would become ineligible now. We did have several of those that were filed at the height of the Vietnam war which were eligible applications and the Federal impact no longer exists. If they were in a state of being considered for funding they could be reevaluated and found ineligible.

Mr. FLOOD. You have a budget request here for $10 million.

Do you think the budget request for $10 million is going to take care of the most urgent needs for school construction, and why?

Mr. STORMER. Only the most urgent needs.

Mr. FLOOD. Only the most urgent needs.

AUTHORIZATIONS AND APPROPRIATIONS FOR IMPACT AID

We need some information for the record. We want this section by section. Supply section by section for Public Law 874 the authorization. That is No. 1.

No. 2, the appropriation; and then No. 3, the percentage of entitlement for fiscal year 1975.

Then in the same paper compare that with the authorization and assumed appropriation. The assumed appropriation would be $636,016,000, and percentage of entitlement for fiscal year 1976.

That is one paper.

Then you have another one.

Do the very same thing, but in the second paper assume the appropriation of $536 million for 1976. That is a separate statement.

In a third separate statement, the same thing again, assume the appropriation of $736 million for 1976.

Mr. STORMER. Mr. Chairman, we will be happy to provide such a table. However, collecting adequate data will take some time. We will make every effort to supply the table by mid-April. I hope that will be acceptable.

Mr. FLOOD. Very well. In that case I am going to insert in the record at this point a table and analysis prepared by the Congressional Research Service of the Library of Congress.

[The table and analysis follow:]

SUPPLEMENTAL FACT SHEET, MAINTENANCE AND OPERATIONS

Public Law 81-874 section and basis of eligibility	1974 entitlement	1974 appropriation	1975 entitlement	1975 appropriation	1976 entitlement [1]	Budget request	1976 estimate appropriation at 2 payment levels
School districts having partial loss of tax base removal of real property from tax rolls through Federal acquisition: Sec. 2	$9, 000, 000	$9, 000, 000	$10, 000, 000	$10, 000, 000	$11, 000, 000		$6, 600, 000
Children of parents who work on and reside on Federal property:							
Sec. 3(a) ADA	362, 000		360, 000		[2] 362, 000		
Rate	581		635		690		
Entitlement	210, 141, 000	200, 100, 000	228, 600, 000	223, 900, 000	[2] 254, 886, 000		242, 911, 560
Children of parents who either work on or reside on Federal property:							
Sec. 3(b) ADA	1, 712, 500		1, 666, 300		[3] 2, 385, 800		
Rate	275		300		320		
Entitlement	471, 000, 000	312, 566, 000	500, 000, 000	355, 116, 000	[3] 687, 736, 000		308, 108, 352
School districts eligible to receive amount to which they would have been entitled before reduction of Federally-connected children by cessation or decrease of Federal activity: Sec. 3(e)	3, 200, 000	3, 200, 000	4, 000, 000	4, 000, 000	8, 600, 000		4, 902, 000
Provides special deficit rate of payment when 50 percent or more of children reside on Federal property: Sec. 3(c)(4)	350, 000	350, 000	400, 000	400, 000	(4)		
Deduction when eligibility requirement not met in 2d fiscal year of 2 year period: Deductions 3(c)(2)(B)	−1, 000, 000	−500, 000	−1, 000, 000	−500, 000	−1, 000, 000		570, 000
Net sec. 3 entitlement	683, 691, 000	515, 716, 000	732, 000, 000	582, 916, 000	950, 222, 000		555, 351, 912
Sudden and substantial increase of children resulting from Federal activities carried on directly or through a contractor: Section 4 1st yr	150, 000	150, 000	100, 000	100, 000	100, 000		0
Arrangements with Federal agencies for educating certain children residing on Federal property: Section 6	39, 500, 000	39, 500, 000	42, 950, 000	42, 950, 000	46, 000, 000	46, 000, 000	46, 000, 000
Transfer of funds to Federal agencies for service provided to local educational agencies: Section 402	50, 000	50, 000	50, 000	50, 000	50, 000		50, 000
Natural disasters Section 7	10, 000, 000	10, 000, 000	(5)	(5)	(5)		
(Definition of Federal property includes low-rent housing.) Low rent housing	247, 000, 000		268, 000, 000		(6)		(7)
Total	989, 391, 000	574, 416, 000	1, 053, 100, 000	636, 016, 000	1, 007, 372, 000	46, 0000, 000	608, 001, 912

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[1] Amended by Public Law 93-380.

[2] Does not include any low-rent housing pupils although there will be some in the "A" category. For payment computation purposes all low-rent housing pupils are included in the "B" category.

[3] Includes all low-rent housing pupils on a "B" category basis.

[4] Amount included in the "A" category.

[5] Requirements cannot be estimated at this time.

[6] Amount is included in Section 3(b).

[7] Included in section 3(b) entitlement and appropriation amounts.

Note: Information prepared by Congressional Research Service using estimates developed by the U.S. office of education.

PROVISIONS OF TITLE I OF PUBLIC LAW 874 81ST CONGRESS EFFECTIVE FOR FISCAL YEAR 1976

Title I of Public Law 874, 81st Congress, provides financial assistance to local educational agencies (LEA's) in areas affected by Federal activity. This legislation is often referred to as the "impact aid maintenance and operations program" and was most recently amended by the Education Amendments of 1974 (Public Law 93–380).

A. SUMMARY OF PROVISIONS—EFFECTIVE IN FISCAL YEAR 1976

Because the Public Law 874 impact aid program is intricate legislation, it may be helpful to briefly consider the composition of this legislation for fiscal year 1976 according to four of its basic components: Entitlements (the maximum authorized amount that a school district may receive); payments (the actual dollar amount that a school district receives when appropriations are insufficient to fully pay all entitlements); State equalization (the relationship between impact aid payments and State efforts to equalize public school expenditures); and savings provisions (clauses which increase payments or entitlements under certain circumstances).

Entitlements

The Public Law 874 impact aid legislation contains four sections which authorize assistance to local educational agencies: Section 2 (Federal acquisition of real property), section 3 (children residing on, and/or whose parents are employed on, Federal property), section 4 (sudden and substantial increase in attendance) and section 7 (disaster assistance). One other section, section 6, authorizes assistance to Federal or other agencies when local school districts are unable to provide public education.

The 1974 amendments extended sections 2, 4, and 7 through the fiscal year ending before July 1, 1978, with only minor modifications (section 6 has a permanent authorization). Effective with fiscal year 1976, however, the formula used to determine each school district's section 3 entitlement (authorization) is substantially revised.

Payments

The Public Law 874 impact aid legislation also includes a separate section (section 5) which governs applications and adjustments to local agencies when congressional appropriations are insufficient to pay in full all entitled amounts. Effective with fiscal year 1976 section 5 is completely revised. This revision includes a new, three-step procedure for distributing available funds for sections 2, 3, and 4 when the appropriation is insufficient to pay in full all amounts entitled under these sections.

State equalization

Effective with fiscal year 1975 and continued in fiscal year 1976, section 5 also contains a provision concerning impact aid payments and State equalization efforts. Under this provision, a State may take into account Public Law 874 impact aid payments to local educational agencies in cases where the State has in effect a program of State aid designed to equalize public school expenditures.

Savings provisions

In order to reduce any adverse impact on local educational agencies resulting from these section 3 entitlement and section 5 payment changes, Public Law 93–380 contains four "savings" on "hold-harmless" provisions under section 305 (b)(2). One of these hold-harmless provisions—a category B out-of-county and out-of-State provision—influences the determination of section 3 entitlements (although some question remains as to precisely how this provision will function with relation to the rest of secton 3). The remanng three hold-harmless pro-i tion with relation to the rest of section 3). The remaining three hold-harmless provisions—a floor payments provision, a low-rent public housing savings provision, and a military decrease or cessation provision—require additional payments to local educational agencies when the specific payment conditions under each provision are not met through the regular appropriation allocation under section 5.

B. AMENDMENTS TO SECTION 3 ENTITLEMENT PROVISIONS

Entitlements for local educational agencies under section 3 are usually distinguished according to subsection of eligibility and rate of entitlement. Section

3(a) entitlements relate to children who reside on Federal property and who have a parent employed on Federal property or on active duty in the uniformed services. (These children are commonly referred to as category A children.) Section 3(b) entitlements relate to children who reside on Federal property or who have a parent employed on Federal property or on active duty in the uniformed services. (These children are commonly referred to as category B children.) Section 3(e) entitlements relate to special adjustments due to a substantial reduction or cessation of Federal activity.

Through fiscal year 1975, the amount of 3(a) entitlement for each eligible local educational agency (LEA)[1] is calculated by multiplying the number of eligible 3(a) children in average daily attendance by 100 percent of the LEA "local contribution rate" (the cost factor defined in the legislation.[2] Similarly, through fiscal year 1975, the amount of 3(b) entitlement is calculated by multiplying the number of eligible 3(b) children in average daily attendance by 50 percent of the LEA "local contribution rate". Through fiscal year 1975, maximum entitlements under section 3(e) are determined by the Commissioner of Education.

Effective with fiscal year 1976, the determination of section 3(a) and 3(b) entitlements is revised through the definition of various subclasses of 3(a) and 3(b) children coupled with a difference in the percentage of the local contribution rate paid for each such subclass. The following table outlines these entitlement subclasses and compares these different percentages for fiscal year 1975 and 1976.

PERCENTAGE OF LOCAL CONTRIBUTION RATE: FISCAL YEAR 1975: FISCAL YEAR 1976-78

[Percent]

Category (a)	Percentage through fiscal year 1975 (b)	Percentage effective with fiscal year 1976 (c)
Section 3(a):		
Military A	100	100
Indian-land A	100	100
Civilian A	100	90
Section 3(b):		
Military B	50	50
Civilian B—Incounty (parent employed in same county of school district)	50	45
Civilian B—Out-of-county (parent employed out-of-county in which school district is located)	50	40
Civilian B—Out-of-State (parent employed out-of-State in which school district is located)	50	0

Other changes affecting entitlements under section 3(a) and 3(b) include:

Amendment of the provisions affecting low-rent public housing children under section 3 to insure entitlement along with all other eligible section 3 children;

Amendments classifying all children living on Indian lands the same as military 3(a) eligibles and entitling any handicapped military or Indianland eligible child at 150 percent the usual 3(a) or 3(b) rate provided that the school district is providing a program designed to meet the special educational needs of such handicapped children; and

An amendment which is effective beginning in fiscal year 1978 which provides for a reduction of section 3(b) entitlements in school districts where the total number of section 3(b) eligibles is less than 10 percent of average daily attendance or where the dependency on section 3 for total current expenditure revenue is less than 25 percent.

Section 3(e) is also rewritten to clarify eligibility requirements and the duration and level of entitlements.

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[1] A local educational agency is eligible for a section 3 entitlement if its total number of 3(a) plus 3(b) children in average daly attendance is the lesser of either (1) a total of 400 children or (2) a total equaling atl east 3 percent of the total number of children in average daily attendance in the school district—provided that such total equals at least 10.

[2] The local contribution rate is the approximate current expenditure per pupil from local revenue sources in "generally comparable" school districts in the same State as the applicant school district. The minimum local contribution rate for a local educational agency in any State may not be less than one-half the State or national average per pupil expenditure of the second preceding fiscal year.

C. AMENDMENTS TO SECTION 5 PAYMENT PROVISIONS

Section 5 which concerns applications, adjustments where necessitated by appropriations, and other payments provisions is substantially revised effective for fiscal year 1976.

The revised payment adjustment provisions provide that if the annual appropriation for sections 2, 3, and 4 of title I of Public Law 874 is insufficient to pay in full all entitlements, then the Commissioner of Education is to pay percentages of these total entitlements according to a three-step payment procedure outlined under section 5(c) of the legislation and summarized in the two tables which follow. Section 5(c) also specifies that no payments may be made under the second or third payment steps (section 5(c)(2) or 5(c)(3)) until all payments of entitlements are made under the first payment step (section 5(c)(1)). Further, the second payment step cannot be partially funded; that is, the appropriation for the second payment step must be sufficient to fund the entire second step before any one category receives payment. Any appropriated sums remaining after allocations under the first two payment steps are to be ratably distributed under the third payment step in proportion to the degree of unsatisfied entitlements remaining under sections 2, 3, and 4. Finally, any payments on section 3 entitlements based on low-rent public housing children are to be used for programs designed to meet the special educational needs of educationally deprived children from low-income families.

TABLE 1.—SECS. 2, 3, AND 4 ALLOCATIONS UNDER THE FIRST 2 PARAGRAPHS OF SEC. 5 [SEC. 5(C)(1) AND (C)(2)]

Category of eligible children	1st payment step (sec. 5(c) (2)) payment percentage	2d payment step (sec. 5(c) (2)) additional payment percentage
Section 3:		
A eligibles in A-plus school districts	25	75
Military A	25	65
Indian-land A	25	65
Civilian A	25	63
Category A low-rent housing	25	0
Military B	25	35
Civilian B in-county	25	32
Civilian B out-of-county	25	28
Civilian B low-rent housing	25	0
Subsection (e)	25	32
Section 2	25	35
Section 4	0	0

An "A plus" school district is one in which the number of category A children in average daily attendance equals or exceeds 25 percent of the total average daily attendance for the LEA.

Table 2: Section 2, 3, and 4 allocations remaining under the third payment paragraph of section 5 [section 5(c)(3)]

[Payment percentage remaining to be funded under the third payment step (sec. 5(c)(3))]

Category of eligible children	*Percent*
Section 3:	
A eligibles in A plus school districts	0
Military A	10
Indian land A	10
Civilian A	12
Category A low-rent housing	75
Military B	40
Civilian B in-county	43
Civilian B out-of-county	47
Civilian B low-rent housing	75
Subsection (e)	43
Section 2	40
Section 4	100

In contrast to the first and second payment steps which must be fully funded, the third payment step can be partially funded.

D. STATE EQUALIZATION PROVISION

Prior to fiscal year 1975, the Public Law 874 impact aid legislation prohibited States, for any reason, from taking into consideration impact aid payments in determining eligibility for, or the amount of, State aid local educational agencies for free public education.[1]

Public Law 93-380 amended section 5 to create an exception to this prohibition if a State has in effect a program of State aid for public education which is designed to equalize expenditures for free public education among the local educational agencies of the State. The terms "State aid" and "equalize expenditures" as used in this provision are to be defined by the Commissioner of Education by regulation after consulting with affected State and local educational agencies.

E. SPECIAL HOLD-HARMLESS PROVISIONS

Section 305(b)(2) of Public Law 93-380 contains four "savings" or "hold-harmless" subsections which affect Public Law 874 entitlements under section 3 and payments under section 5 for fiscal year 1976 through fiscal year 1978.

One of these hold-harmless subsections directly pertain to section 3 entitlements:

The section 305(b)(2)(C) out-of-county and out-of-State savings provision which holds section 3(b) entitlements to 90 percent of the previous year's payment if 3(b) out-of-county and out-of-State children constitute 10 percent or more of a district's total section 3(b) children.

While the 1974 amendments are not explicit on exactly how this subsection relates to section 3, the out-of-county and out-of-State provision may be considered as a special way to compute the civilian 3(b) out-of-county entitlement.

The remaining three hold-harmless subsections relate to the level of payment for section 3 entitlements that each local educational agency actually receives:

A section 305(b)(2)(B) military decrease or cessation savings provision which provides that the amount of payment to which a local educational agency is entitled under title I of Public Law 874 as computed under section 3 for any fiscal year from fiscal year 1975 through fiscal year 1978 shall not be less than 90 percent of the previous year's entitlement if the agency—during the period from July 1, 1973, through June 30, 1975—experienced a decrease in eligible section 3 children of 10 percent or more due to a decrease or cessation of Federal activities affecting military installations in the United States announced after April 16, 1973;

A section 305(b)(2)(A) "floor" savings payment provision which guarantees a school district at least 80 percent of its previous year's section 3 payment (the guarantee is 90 percent if the district was 10 percent or more dependent upon section 3 for total current expenditure revenue in fiscal year 1973); and

A section 305(b)(2)(D) low-rent public housing savings provision authorizing a special payment to school districts whose section 3 payments are decreased because of the mandatory funding for low-rent public housing children.

In the case of the first payment savings provision—section 305(b)(2)(B)—congressional intent appears to be that, for a qualifying school district, if the payment on entitlements under each of the various authorizing sections of Public Law 874 does not equal 90 percent of the previous year's entitlements, then the amount of payment is to be raised to that 90 percent level. If appropriated sums for each of these various entitlement sections are insufficient to satisfy this savings provision, then additional funds are to be appropriated to meet the requirements of this provision.

In the case of the two remaining savings provisions—section 305(b)(2)(A) and 305(b)(2)(D)—any amounts necessary to satisfy the minimum payment requirements are to come from an appropriation separate from the regular appropriation for sections 2, 3, and 4. Any such amounts paid to local agencies under these two provisions may be considered as additional payments on section 3, entitlements.

Mr. FLOOD. Mr. Shriver?

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[1] A rider to the National School Lunch Amendments of 1973 provided an exemption from this prohibition of sec. 5(d)(2) to a State which adopted, after June 30, 1972, a program of State aid designed to equalize educational expenditures among local educational agencies in that State.

STATE LOSSES UNDER PROPOSED LEGISLATION

Mr. **SHRIVER.** Thank you, Mr. Chairman.

I have expressed my feelings on your proposals for impact aid to a number of other witnesses, so I am not going to belabor the point.

The table on pages 101 and 102 of the justifications shows how many millions of dollars each State will lose under your plan. I see my own State of Kansas would lose more than $9 million. I just don't see how you can expect your proposal that is now before the substantive committee to have a chance when you have these big losses.

Mr. **STORMER.** Sir, the illustrations on pages 101 and 102 reflect only the request that is contained in the budget request, that is for section 6, on federally operated schools.

Mr. **SHRIVER.** I understand that.

Mr. **STORMER.** It does not reflect the $210 million which would be requested at a later date, so that it really would not illustrate the proposal at the present time in terms of the State-by-State distribution.

Mr. **SHRIVER.** This $40 million would be increased then, by what?

Mr. **STORMER.** By $210 million approximately.

Mr. **SHRIVER.** Which all together is less than half of what the States are now receiving. You don't think that will pass, do you? How will this committee know what to put into this item when we are marking up the bill? Should we use the same figure we used last year?

Mr. **FLOOD.** We have asked you for that information.

Dr. **BELL.** Apparently we are responding to that in part in what the chairman has asked us for in these three tables.

Mr. **FLOOD.** We want it in detail.

DEVELOPING REGULATIONS

Mr. **SHRIVER.** How long have you been working on those regulations for States which have attempted to do what the Office of Education has asked them to do, to equalize their educational expenditures within their own borders? You have been working on that for quite a while.

Dr. **BELL.** Yes. In fact we have been in a series of meetings since October, Mr. Shriver. We have met with State department of education people from Kansas and also some local school district people. They are greatly concerned and interested in this matter.

Mr. **SHRIVER.** Are there other States in the same boat?

Dr. **BELL.** Yes.

Mr. **SHRIVER.** Besides Kansas?

Dr. **BELL.** There surely are.

Mr. **SHRIVER.** And you are ready now with some regulations that are going to be published in the Federal Register?

Dr. **BELL.** Yes. We are within a week of proposed rulemaking, if everything clears according to our schedule. We had a meeting on it yesterday and reviewed and talked through with staff some of the final details on the proposals. This is a highly controversial proposal, and the regulations are going to draw a lot of discussion, and they are going to generate a lot of controversy.

Mr. **FLOOD.** That is one thing you won't get an argument about.

Dr. **BELL.** Yes, sir.

Mr. Shriver. Thank you.

Mr. Flood. Mr. Natcher?

REQUEST UNDER PROPOSED LEGISLATION

Mr. Natcher. Mr. Wheeler, I want to thank you for your statement.

As you will recall, on one or two occasions during the past week, I have discussed this matter of impact aid with Dr. Bell, Dr. Trotter, and others.

As I understand it, the amount requested is $40 million for payments for B children, and $162 million for A children.

That is correct; isn't it?

Mr. Miller. No, Mr. Natcher. We do not have a proposal before the Congress now to appropriate funds for A children and B children. That is dependent on the passage of legislation. We are only asking that you appropriate $46 million for those school districts where we make payments to other Federal agencies, and some 815 money for construction.

Mr. Natcher. At this time we are requesting $56 million to be appropriated in 1976.

Mr. Miller. That is correct.

Mr. Natcher. That is the figure that you have before the committee?

Mr. Miller. That is right, Mr. Natcher.

Mr. Natcher. As far as A children are concerned, under the 1975 revised estimate, that figure was $223,900,000, isn't that correct?

Mr. Miller. Yes; for 1975.

Mr. Natcher. For B children it was $354,616,000?

Mr. Miller. That is correct.

CHANCES OF PROPOSED LEGISLATION PASSING

Mr. Natcher. I, for one, Mr. Chairman, do not believe that the House and our committee will approve of the proposal as submitted. It places us on this committee in a position where we can't justify it on the floor of the House. If we accepted this figure, Mr. Wheeler, we would have no chance with it at all, and it would be a mistake for us to accept it.

I know from time to time the Department offers arguments that there are a lot of rich school districts that are receiving money that they are not entitled to. In some instances that might apply. Here in the District of Columbia, as I recall, it is a little over $4 million in impacted aid money that is received. We have a school budget here that is up to $200 million. The per capita expenditure in the District, as I pointed out to Dr. Bell the other day, is about $1,387, probably the highest in the United States. I have my doubts from time to time that they are teaching the children here how to read and write, not only here, Mr. Wheeler, but you know in other places in the United States where we have that problem.

When you come in and say to the committee that a lot of these rich counties, Montgomery County, counties over in Virginia and others are receiving money that they might not be entitled to, on the other hand, you have counties down in Kentucky and out in the State of Kansas and other places that really need this money.

If you travel down into my State, Mr. Wheeler, you know that Hardin, Meade, Breckinridge, Laure, Bullitt, Nelson, and other counties that receive small amounts under the impacted aid section of the law really need this money as a result of Fort Knox and other military installations that are in Kentucky. We have Fort Campbell, as you know, and other installations.

It is of great concern to me as one member of the committee. When you come in with a proposal in the amount that you have here, knowing full well that the Education and Labor Committee is not going to report out any legislation that makes changes in this law, it places my chairman in a position where he can't sustain it on the floor. It makes it right difficult.

Thank you, Mr. Chairman.

Mr. Flood. Mr. Patten?

AGREEMENT WITH ADMINISTRATION

Mr. Patten. I am with the administration on this effort to work equity and justice in this impacted aid program.

I am glad to hear you tackle this. I hope this year on the floor it is a little better than it has been in other years.

Mr. Flood. Mr. Obey?

STATES ELIGIBLE UNDER EQUALIZATION

Mr. Obey. Only one question.

You indicated three States would be eligible under State equalization. Which three would that be?

Dr. Bell. Yes. That is a tentative finding. It is Hawaii, which doesn't have any local school districts, of course, Florida, and New Mexico, which has almost a near unitary State level of financing. At the present time our findings are that those would be the only three where the money would go to the State rather than to the locals. We have had an oversight hearing on that before the subcommittee, and have discussed it with them extensively.

Mr. Obey. Which others would come close?

Dr. Bell. The State of Utah would be the next closest one. Minnesota comes in fairly close after that. There aren't many that have equalization high enough to come very close to it.

The difficult thing is to set the point where this is to fail. As I understand it—I wasn't here then, I wasn't Commissioner at that time—the committee and the conference committee had difficulty determining this, and so they assigned the job to the Commissioner.

I might say, Mr. Obey, that regardless of where I come down on it, I am going to be beat up pretty bad from one side or the other on it, but we think that it gives us an opportunity, the Office of Education, to take a stand on what we think good equalization is. We are setting a high standard.

Maybe after the hearings, after the proposed rulemaking, and we get all of the responses, it may be that we will be modifying that a bit.

POSITION OF WISCONSIN

Mr. **Obey**. I wonder if you could just let me know later where Wisconsin sits on all of this, because they are under the impression that they passed a fairly decent equalization bill.

Dr. **Bell**. I just say, sir, that we would have to move it quite a ways from where it is for them to get in.

Is that an accurate assessment?

Mr. **Wheeler**. Right.

Dr. **Bell**. And many States that feel they have a good equalization program—and maybe they do by their definition—wouldn't come up to the level that we have placed at the present time.

Mr. **Obey**. Could you just give me later some specific indicators to show where Wisconsin falls short?

Dr. **Bell**. Yes, we will be very happy to do that as soon as we have complete data.

Mr. **Obey**. That is all, Mr. Chairman.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

For carrying out title I of the Act of September 30, 1950, as amended (20 U.S.C., ch. 13), and the Act of September 23, 1950, as amended (20 U.S.C., ch. 19), [$656,016,000 of which $636,016,000, including $43,000,000] *$66,000,000 of which $46,000,000* for amounts payable under section 6 shall be for the maintenance and operation of schools as authorized by said title I of the Act of September 30, 1950, as amended, and [$20,000,000] *$10,000,000*, which shall remain available until expended, shall be for providing school facilities as authorized by said Act of September 23, 1950: [Provided, That none of the funds contained herein shall be available to pay any local educational agency in excess of 70 percentum of the amounts to which such agency would otherwise be entitled pursuant to section 3(b) of title I: Provided further, That none of the funds contained herein shall be available to pay any local educational agency in excess of 90 percentum of the amount to which such agency would otherwise be entitled pursuant to section 3(a) of said title I if the number of children in average daily attendance in schools of that agency eligible under said section 3(a) is less than 25 percentum of the total number of children in such schools:] 1/ Provided, That with the exception of up to $1,000,000 for repairs for facilities constructed under section 10, none of the funds contained herein for providing school facilities shall be available to pay for any other section of the Act of September 23, 1950, until payment has been made of 100 percentum of the amounts payable under section 5 and subsections 14(a) and 14(b): Provided further, That of the funds provided herein for carrying out the Act of September 23, 1950, no more than 47.5 percentum may be used to fund section 5 of said Act.

For "School assistance in Federally affected areas" for the period July 1, 1976 through September 30, 1976, $5,000,000. (Supplemental Appropriations Act, 1975.)

Explanation of Language Changes

1/ This portion of the appropriation language is being deleted because funds for these sections (Sections 3(a) and 3(b)) are being proposed for later transmittal, pending the enactment of new legislation.

Language Provision	Explanation
Provided, That, with the exception of up to $1,000,000 for repairs for facilities constructed under section 10, none of the funds contained herein shall be available to pay for any other section of the Act of September 23, 1950, until payment has been made of 100 percentum of the amounts payable under section 5 and subsections 14(a) and 14(b).	Although the basic law proposes to fund Section 10 in full prior to funding any other section, the Administration proposes to set aside $1,000,000 for minor repairs to facilities constructed under Section 10, the balance of the appropriation to be allocated to Sections 5 and 14(a) and 14(b).
Provided further, That of the funds provided herein for carrying out the Act of September 23, 1950, no more than 47.5 percentum may be used to fund section 5 of said Act.	The basic law gives Sections 14(a) and 14(b) (assistance for children residing on Indian lands) priority equal to Section 10. The budget proposes to fund Sections 14(a) and 14(b) at a higher level than Section 10, and to fund Section 5 (assistance for areas impacted by military installations) at a higher level than the basic law provides.

Summary of Changes

1975 Estimated obligations	$656,016,000
1976 Estimated obligations	56,000,000
Net Change	-600,016,000

	1975 Base	Change from Base
Increases:		
Program:		
1. Payments to other Federal agencies	$ 43,000,000	$ +3,000,000
Total, increases		+3,000,000
Decreases:		
Program:		
1. Payments for "a" children	223,900,000	-223,900,000
2. Payments for "b" children	354,616,000	-354,616,000
3. Special Provisions	14,500,000	-14,500,000
Subtotal	593,016,000	-593,016,000
4. Construction	20,000,000	-10,000,000
Total, decreases		-603,016,000
Total, net change		-600,016,000

Explanation of Changes

Increases:

1. Payments to other Federal agencies - An increase of $3,000,000 is requested to fund those children who attend school on Federal property at full entitlement as called for in the basic law.

Decreases:

1. Payments for "a" children - New legislation is being proposed for this activity and funds will be sought under a supplemental request.

2. Payments for "b" children - New legislation is being proposed for this activity and funds will be sought under a supplemental request.

3. Special provisions - New legislation is being proposed for this activity and funds will be sought under a supplemental request.

4. Construction - A decrease of $10,000,000 will provide urgently needed minimum school facilities to local education agencies which meet the eligibility requirements specified by the Act.

Obligations by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
92	Maintenance and operations:				
	(a) Payments for "a" children..........	$223,900,000	$223,900,000	$ ---1/	- $ 223,900,000 1/
	(b) Payments for "b" children..........	354,616,000	354,616,000	---1/	- 354,616,000 1/
	(c) Special provisions..	14,500,000	14,500,000	---1/	- 14,500,000 1/
	(d) Payments to other Federal agencies..	43,000,000	43,000,000	46,000,000	+ 3,000,000
	Subtotal.....	636,016,000	636,016,000	46,000,000	- 590,016,000
96	Construction.............	20,000,000	20,000,000	10,000,000	-10,000,000
Total obligations		656,016,000	656,016,000	56,000,000	-600,016,000

1/ Funds for these activities will be proposed for later transmittal, pending the enactment of new legislation.

Obligation by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Lands and structures......	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ ---
Grants, subsidies, and contributions...........	655,946,000	655,946,000	55,000,000	-600,946,000
Total obligations by object................	656,946,000	656,946,000	56,000,000	-600,946,000

Amounts Available for Obligation

	1975 Revised	1976 1/
Appropriation..	$656,016,000	$56,000,000
Unobligated balance, start of year..................	930,000	---
Unobligated balance, end of year....................	---	---
Total, obligations.................................	656,946,000	56,000,000

1/ Excludes $210,000,000 proposed for later transmittal, pending the enactment of proposed legislation.

Authorizing Legislation

Legislation	1976 Authorized	1976 Appropriation requested
School Assistance in Federally Affected Areas:		
Public Law 874 Maintenance and Operations, as amended by Public Law 93-380		
Section 2	$ 11,000,000	$ ---
Section 3	950,222,000[1/]	---
Section 4	100,000	---
Section 6	46,000,000	46,000,000
Section 7	[2/]	[2/]
Section 302	50,000	---
Public Law 815 Construction[3/]		
Section 5	37,000,000	4,275,000
Section 8	2,000,000	---
Section 9	1,000,000	---
Section 10	15,000,000	1,000,000
Section 14	15,000,000	4,725,000
Section 16	[2/]	[2/]

[1/] Includes all low-rent housing pupils.

[2/] Requirements are unpredictable. They are payable out of the regular appropriation, subject to replacement by supplemental appropriations as needed.

[3/] The authorization column for construction includes the anticipated funding level for new applications in 1976 and excludes an unfunded backlog of eligible or potentially eligible applications which is estimated at $300,025,403 as of 6/30/75.

School Assistance in Federally Affected Areas

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966	$396,370,000	$437,370,000	$437,370,000	437,370,000
1967	205,717,000	468,517,000	507,348,000	468,517,000
1968	438,517,000	529,482,000	463,282,000	529,482,000
1969	409,697,000	520,207,000	520,207,000	520,207,000
1970	201,107,000	519,507,000	599,107,000	519,507,000
1971	425,000,000	438,900,000	672,700,000	549,968,000
1972	439,300,000	606,880,000	676,880,000	611,880,000
1973	430,910,000	641,405,000	681,405,000	671,405,000
1974	292,500,000	610,000,000	633,000,000	593,416,000 1/
1975	340,300,000	656,016,000	656,016,000	656,016,000
1976	56,000,000			

NOTE: In order to reflect comparability with the 1973 estimate this table excludes all funds for Technical services under P.L. 815.

1/ The amount available for obligation after application of a 5 percent reduction provision in the fiscal year 1974 appropriation.

Justification

School Assistance in Federally Affected Areas

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
School Assistance in Federally Affected Areas:				
(a) Maintenance and operations:				
(1) Payments for "a" children.......	$223,900,000	$223,900,000	$ ---1/	$-223,900,000 1/
(2) Payments for "b" children.......	354,616,000	354,616,000	---1/	-354,616,000 1/
(3) Special provisions..........	14,500,000	14,500,000	---1/	-14,500,000 1/
(4) Payments to other Federal agencies	43,000,000	43,000,000	46,000,000	+3,000,000
Subtotal.....	636,016,000	636,016,000	46,000,000	-590,016,000
(b) Construction..........	20,000,000	20,000,000	10,000,000	-10,000,000
Total............	656,016,000	656,016,000	56,000,000	-600,016,000

1/ Funds for these activities will be proposed under later transmittal, pending the enactment of new legislation.

General Statement

In order to provide for the cost of educating children in areas where enrollments are affected by Federal activities, Title I of Public Law 81-874 and Public Law 81-815 provide funds for these purposes; Public Law 81-874 for current operating assistance and Public Law 81-815 for construction assistance. Most of the funds are provided on the basis of children claimed by local educational agencies in connection with Federal properties as residing on, and/or having a parent employed on, Federal property, or in one of the Uniformed Services. Substantial funds are provided to school districts educating Indian children because Indian lands are eligible Federal property under both laws.

Both Public Laws 81-874 and 81-815 authorize Federal payments directly to eligible local educational agencies. Applications for assistance under both laws are submitted to the Commissioner of Education through the State education agencies, which certify that the data contained therein are accurate insofar as records in State offices are concerned.

In 1976 the total request for Impact Aid is $266 million. This request includes $56 million to be appropriated under existing authority and a request for $210 million proposed for later transmittal which would be under the authority of new legislation.

Both Public Laws 81-874 and 81-815 were amended by Public Law 93-380 (the Education Amendments of 1974). These amendments would substantially alter the authorization and funding distribution procedures in fiscal year 1976. Public Law 93-380 establishes a three-tier funding formula for funding the various sections of the law. This new funding procedure would not mean a reduction of funds, but it would eventually bring about considerable modifications in the manner that funds are distributed, though a number of "hold-harmless" provisions would make any such changes very gradual. Further, public housing children would be counted for the first time for payment purposes (on the "B" category base).

However, new legislation is being proposed by the Administration which would replace the tier-funded formula. It will result in all districts absorbing a greater share of impact aid costs. The proposed legislation seeks to fund Sections 2, 3(a), 3(b), 3(c)(4), 3(e), and 4 in a manner similar to 1975. Once entitlements are established, each school district will have to absorb 5 percent of the previous year's total current expenditure.

Under the new formula payments would be as follows:

"A" children -- 100 percent of entitlement where the number of children is 25 percent or more of the average daily attendance; 90 percent, if less;

"B" children -- 68 percent of entitlement, less out-of-State B's for whom no entitlement is provided;

Special provisions -- 100 percent of entitlement:

From such amounts provided above:

5 percent of the previous year's total operating budget for each school district is subtracted; the balance euqals the payment.

Although this new proposal will result in a substantial reduction in the overall funding level, it is estimated that of the districts that will lose impact aid funds, the majority (70 percent) will lose less than 2 percent of their total operating budget.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Maintenance and Operations:				
(a) Payments to "a" children..........	$223,900,000	$223,900,000	$ 1/	$-223,900,000 1/
(b) Payments to "b" children..........	354,616,000	354,616,000	1/	-354,616,000 1/
(c) Special provisions..	14,500,000	14,500,000	1/	-14,500,000 1/
(d) Payments to other Federal agencies..	43,000,000	43,000,000	46,000,000	+3,000,000
Total..........	636,016,000	636,016,000	46,000,000	-590,016,000 1/

1/ Funds for these activities will be proposed under later transmittal, pending the enactment of new legislation.

Narrative

Program Purpose

In order to compensate for the cost of education in areas where enrollment are affected by Federal activities, Title I of Public Law 81-874, as amended by Public Law 93-380, authorizes financial assistance for these purposes. In the past payments have been made to local school districts when revenues from local sources have been reduced as the result of the acquisition of real property (since 1938) by the United States (Section2); for children who reside on Federal property, with a parent employed on Federal property, or have a parent in a Uniformed Service (Section 3(a); for children who either who reside on Federal property, with a parent employed on Federal property or have a parent in the Uniformed Services (Section 3(b)); to increase rates of payment for certain 3(a) children (Section 3(c)(4); to provide for unexpected decreases in Federal activities (Section 3(e); and for substantial increases in attendance (Section 4). Under Section 6, the full cost of education is provided for children residing on Federal property when no State or local educational agency is able, because of State law or for other reasons, to provide suitable free public education. Assistance to schools in major disaster areas is provided under Section 7 and generally come from the regular appropriation.

Plans for fiscal year 1976

In order to provide the full cost of educating children who reside on Federal property in States where, due to State law or for other reasons, local school districts are unable to provide suitable free public education, the amount of $46,000,000 is requested. Schools operated under Section 6 cannot be terminated until the Commissioner of Education and the Secretary of the Federal department concerned jointly determine, after consulting with the appropriate State education agency, that a local agency is able to provide suitable free public education for the children attending such schools.

The funds requested will provide the full cost of educating approximately 42,000 on 27 military bases in thirteen States.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974 there were 4,368 eligible school district applicants who were funded under Section 2 (67 districts) and Section 3 (4,301 districts). These funds provided assistance for approximately 363,000 Section 3(a) children and over 1.7 million Section 3(b) children. Funds in the amount of $574,416,000 and special language authorized payments of entitlements in fiscal year 1974 as follows:

Section 3(a)	100 percent of entitlement (where the number of eligible children comprised 25 percent or more of the children in average daily attendance)
	90 percent of entitlement (Where the number of eligible children comprised less than 25 percent of the children in average daily attendance)
Section 3(b)	68 percent of entitlement
Sections 2, 3(c)(4), 3(e), and 4	100 percent of entitlement

The amount of $43,000,000 provided the full cost of educating approximately 42,000 children under Section 6.

An amount of $10 million was allocated for assistance to school districts in major disaster areas.

In fiscal year 1975, approximately 4,400 school districts will receive payments at 90 percent or 100 percent of entitlement, depending on the degree of impact for 360,000 Section 3(a) children, and not more than 70 percent of entitlement for approximately 1.7 million Section 3(b) children. Assistance under Section 2 will be provided to school districts where 10 percent or more of their taxable property has been required by the Federal Government since 1938. Section 3(c)(4) will permit an increased rate of payment for some 3(a) children to insure a level of education equivalent to that maintained in generally comparable school districts. Section 3(e) will assist school districts affected by certain decreases in Federal acrivities. Section 4 will assist school districts affected by substantive increases in attendance due to Federal activities. The full cost of educating nearly 42,000 children will be provided under Section 6.

SUPPLEMENTAL FACT SHEET

Maintenance and Operations

P.L. 81-874 Section	Basis of Eligibility	1974 Entitlement	1974 Appropriation	1975 Entitlement	1975 Appropriation	1976 Entitlement 1/	Budget Request
Section 2	School districts having partial loss of tax base removal of real property from tax rolls through Federal acquisition.	$ 9,000,000	$ 9,000,000	$ 10,000,000	$ 10,000,000	$ 11,000,000	---
Section 3(a)-ADA)	Children of parents who work on and reside on Federal property.	362,000		360,000		362,000 2/	---
-Rate)		$581		$635		$690	
-Entitlement)		$210,141,000	$200,100,000	$228,600,000	$223,900,000	$254,886,000 2/	---
Section 3(b)-ADA)	Children of parents who either work on or reside on Federal property.	1,712,500		1,666,300		2,385,800 3/	---
-Rate)		$275		$300		$320	
-Entitlement)		$471,000,000	$213,566,000	$300,000,000	$355,116,000	$687,736,000 3/	---
Section 3(e)	School districts eligible to receive amount to which they would have been entitled before reduction of Federally-connected children by cessation or decrease of Federal activity.	$ 3,200,000	$ 3,200,000	$ 4,000,000	$ 4,000,000	$ 8,600,000	---
Section 3(c)(4)	Provides special deficit rate of payment when 50% or more of children reside on Federal property.	$350,000	$350,000	400,000	$400,000	---4/	---
Deductions 3(c)(2)(B)	Deduction when eligibility requirement not met in second fiscal year of two-year period.	$ -1,000,000	$-500,000	$-1,000,000	$-500,000	$-1,000,000	---
Net Section 3 Entitlement		$683,691,000	$515,716,000	$732,000,000	$582,916,000	$950,222,000	---

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1/ Amended by P.L. 93-380.

2/ Does not include any low-rent housing pupils although there will be some in the "A" category. For payment computation purposes all low-rent housing pupils are included in the "B" category.

3/ Includes all low-rent housing pupils on a "B" category basis.

4/ Amount included in the "A" category.

P.L. 81-874 Section	Basis of Eligibility	1974 Entitlement	1974 Appropriation	1975 Entitlement	1975 Appropriation	1976 Entitlement 1/	Budget Request
Section 4 1st year	Sudden and substantial increase of children resulting from Federal activities carrried on directly or through a contractor	$150,000	$150,000	$100,000	$100,000	$100,000	---
Section 6	Arrangements with Federal agencies for educating certain children residing on Federal property.	$39,500,000	$39,500,000	$42,950,000	$42,950,000	$46,000,000	$46,000,000
Section 302	Transfer of funds to Federal agencies for service provided to local educational agencies	$50,000	$50,000	$50,000	$50,000	$50,000	---
Section 7	Natural disasters	$10,000,000	$10,000,000	2/	3/	2/	---
Low-Rent Housing	(Definition of Federal Property includes low-rent housing.)	$247,000,000	---	$268,000,000	---	3/	---
	TOTALS	$989,391,000	$574,416,000	$1,053,100,[illegible]	$636,016,000	$1,007,372,000	$46,000,000

1/ Amended by P.L. 93-380
2/ Requirements cannot be estimated at this time
3/ Amount is included in Section 3(b)

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Construction	$20,000,000	$20,000,000	$10,000,000	- $10,000,000

Narrative

Program Purpose

In order to provide urgently needed minimum school facilities, Public Law 81-815 authorizes Federal funding for school construction to school districts impacted by Federal activities. Under Section 5 eligibility is determined by the number of children residing with a parent who lives and works on Federal property (Section 5(a)(1)); and by the number of children who reside with a parent who either lives or works on Federal property (Section 5(a)(2)). Subsections 14(a) and 14(b) authorize grants to construct minimum school facilities in school districts which provide free public education for children who reside on Indian lands, or in districts where Indian lands comprise a substantial part of the school district. Section 9 provides funds to construct minimum facilities for local educational agencies affected by temporary Federal impact. Some State laws preclude the provision of free public education by State or local agencies for children living on some Federal properties or the expenditure of local and State funds for the construction of school facilities on Federal properties. In these instances the Commissioner is directed by Section 10 of the Act to make arrangements for constructing or otherwise providing school facilities for the children. Section 16 provides assistance to local educational agencies in areas suffering major disasters.

Funds are reserved for eligible applicants upon a determination of their eligibility and at such time as their respective project application has been reached on the priority index list. Federal regulations require that all eligible applicants be placed in rank order of relative priority by sections of the Act and funded in that order.

Plans for fiscal year 1976

In order to meet critical construction needs, the funds requested in fiscal year 1976, as in fiscal years 1974 and 1975, will be targeted toward relieving the impact caused by military installations (Section 5) in overcrowding the school facilities of local educational agencies, and toward providing needed school facilities of local educational agencies serving children residing on Indian lands (Section 14(a) and 14(b)). On the basis of present data, it is expected that about 14 projects will provide new school facilities for approximately 2,900 pupils in 110 classrooms and related school facilities (e.g., libraries, cafeterias, special education rooms for the handicapped, and the like). It is expected that the funds requested will provide one new school in New Mexico serving 600 Indian children in 20 classrooms and related school facilities. Further it is anticipated that $1 million will be used for emergency repairs to some of the 156 existing Federally-owned school facilities located on Federal property on approximately 68 government installations in order to protect the capital investment the Federal Government already has in these school facilities.

Accomplishments for fiscal years 1974 and 1975

Funds appropriated in fiscal year 1974 permitted the funding of 20 new projects in local educational agencies impacted by military activity or serving children residing on Indian lands. The dollar amount related to these projects was $17,296,200. Fiscal year 1974 funds also provided the initiation of 6 projects at an initial cost of $10,486,780 and the provision of additional funds ($3,329,344) to 5 projects which will serve children residing on Indian lands. In addition, funds were obligated for projects designed to replace or restore school facilities seriously damaged or destroyed by major disasters. These school facilities are expected to provide for approximately 1,450 pupils in 64 classrooms and related school facilities.

It is estimated that funds available in fiscal year 1975 will be used to assist in completing the construction of 4 projects initiated in prior years to serve children residing on Indian lands (at an estimated cost of $8,139,177), and 10 projects to relieve overcrowding in school districts impacted by increased military activities (at an estimated cost of $8,918,024). These projects are expected to provide facilities for approximately 4,360 children in 161 classrooms and related school facilities.

It is estimated that approximately $1,000,000 will be obligated for minor repairs to Federally-owned school facilities.

SUPPLEMENTAL FACT SHEET

Construction

P.L. 81-815 Section	Basis of Elibibility	1974 Appropriation	1975 Appropriation	Backlog Prior to 1976	1976 Entitlement	1976 Budget Request
5	Children of parents who work on and/or reside on Federal property or who represent an increase in Federal activity either directly or through a contractor.	$ 9,500,000	$ 9,000,000	$151,579,659	$37,000,000[1/]	$ 4,275,000
8	Provision of non-Federal share or construction imposes a financial hardship.	----	---	---	$ 2,000,000	---
Total, Sections 5 and 8		$ 9,500,000	$ 9,000,000	$151,679,659	$39,000,000	$4,275,000
9	Temporary increases of Federally-connected children for whom temporary school facilities are provided	---	---	$ 1,000,000	$ 1,000,000	---
10	Federally constructed schools on Federal property	---	$ 1,000,000	$ 97,247,409	$15,000,000	$ 1,000,000
14	Substantial number of children residing on Federal property (mostly tax-exempt Indian land) and lack of financial resources	$ 9,500,000	$10,000,000	$ 50,098,335	$15,000,000	$ 4,725,000
16	Natural disasters[2/]					
Grand Totals		$19,000,000	$20,000,000	$300,025,403	$70,000,000	$10,000,000

1/ Authorization for Sec. 5(a)(2) and 5(a)(3) expires June 30, 1978.

2/Requirements are unpredictable. They are payable out of regular appropriation, subject to replacement by supplemental appropriations as needed.

OFFICE OF EDUCATION

School Assistance in Federally Affected Areas

Program Purpose and Accomplishments

Activity: Maintenance and operations (P.L. 81-874)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$636,016,000	$636,016,000	$1,057,372,000	$46,000,000

Purpose: In order to provide compensation for educational costs to areas affected by activities of the United States government, Title I of P.L. 81-874, as amended by P.L. 93-380, authorizes financial assistance for the maintenance and operation of local school districts where enrollments are affected by Federal activities.

Explanation: Applications and documentation are submitted by local educational agencies. This material is reviewed and verified by Office of Education personnel and awards are made directly to the local education agencies. The Office of Education provides for the full cost of educating children residing on Federal property where no education agency is able to provide suitable free education to such children. The fiscal year 1976 appropriation covers school year 1976-77.

Accomplishments in 1975: In fiscal year 1975, grants were made to provide support for some 2,100,000 pupils in 4,400 school districts with the greater proportionate support going to heavily impacted school districts.

Objectives for 1976: The estimate for fiscal year 1976 will provide full funding for Section 6. No funds are requested at this time for the other activities, pending the enactment of new legislation. The new legislation proposes entitlement and payment procedures which will more accurately reflect the Federal and local economic responsibility for education.

OFFICE OF EDUCATION

School Assistance in Federally Affected Areas

Program Purpose and Accomplishments

Activity: Construction (P.L. 81-815)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$20,000,000	$20,000,000	$70,000,000	$10,000,000

Purpose: In order to provide assistance for urgently needed construction facilities, Public Law 81-815 authorizes funds to local school districts where there are significant increases in pupil enrollment resulting from Federal activities.

Explanation: Applications and documentation are submitted by local educational agencies. This material is reviewed by Office of Education personnel and awards are made directly to the local educational agencies. The construction account is a no-year account. Funds awarded under this appropriation are available until expended, without regard to fiscal years. Applications submitted under Section 5 and 14(a) and 14(b) take priority over applications submitted under any other Section of the Act.

Accomplishments in 1975: Grants were made to meet the most pressing construction needs of local education agencies which applied under Sections 5 and 14(a) and 14(b) of the Act. It is estimated that approximately 161 classrooms benefitting nearly 4,400 children will be constructed.

Objectives for 1976: Grants in 1976 will again provide assistance for construction needs resulting from increased military activities with the greater proportionate share providing assistance for Indian school construction. It is estimated that 130 classroom benefitting nearly 3,500 pupils will be constructed.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

School Assistance in Federally Affected Areas
Maintenance and Operations - P.L. 874

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$574,416,000	$636,016,000	$636,016,000	$46,000,000
Alabama	9,698,462	10,456,000	10,456,000	2,187,000
Alaska	30,729,581	34,152,000	34,152,000	---
Arizona	15,716,411	17,670,000	17,670,000	---
Arkansas	3,155,599	3,388,000	3,388,000	---
California	77,521,716	88,265,000	88,265,000	27,000
Colorado	12,682,248	14,133,000	14,133,000	---
Connecticut	3,509,047	3,916,000	3,916,000	---
Delaware	2,488,674	2,686,000	2,686,000	2,515,000
Florida	17,159,176	19,128,000	19,128,000	---
Georgia	14,832,424	16,342,000	16,342,000	5,677,000
Hawaii	11,511,612	12,873,000	12,873,000	---
Idaho	3,584,384	3,992,000	3,992,000	---
Illinois	10,355,722	11,218,000	11,218,000	---
Indiana	5,212,933	3,594,000	3,594,000	---
Iowa	1,834,928	1,951,000	1,951,000	---
Kansas	8,985,004	9,179,000	9,179,000	25,000
Kentucky	10,010,881	10,222,000	10,222,000	7,209,000
Louisiana	3,662,198	4,202,000	4,202,000	552,000
Maine	2,943,171	3,271,000	3,271,000	---
Maryland	30,100,588	33,264,000	33,264,000	---
Massachusetts	10,845,396	12,628,000	12,628,000	1,749,000
Michigan	5,839,792	6,489,000	6,489,000	---
Minnesota	2,985,713	3,758,000	3,758,000	---
Mississippi	4,165,200	3,790,000	3,790,000	---
Missouri	8,201,707	10,093,000	10,093,000	---
Montana	6,107,169	7,475,000	7,475,000	---
Nebraska	5,792,460	6,631,000	6,631,000	---
Nevada	3,729,482	4,165,000	4,165,000	---
New Hampshire	2,695,941	2,944,000	2,944,000	---
New Jersey	14,506,296	15,823,000	15,823,000	---
New Mexico	15,488,481	17,258,000	17,258,000	---
New York	18,272,507	20,482,000	20,482,000	1,736,000
North Carolina	16,984,575	18,730,000	18,730,000	10,877,000
North Dakota	5,074,090	6,537,000	6,537,000	---
Ohio	12,490,487	11,090,000	11,090,000	---
Oklahoma	12,051,363	12,775,000	12,775,000	---
Oregon	3,919,201	4,308,000	4,308,000	19,000
Pennsylvania	8,228,446	9,437,000	9,437,000	3,000
Rhode Island	3,394,982	3,887,000	3,887,000	---
South Carolina	10,058,072	11,201,000	11,201,000	3,316,000

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
South Dakota	5,650,777	7,583,000	7,583,000	---
Tennessee	7,064,468	7,679,000	7,679,000	---
Texas	31,689,801	34,918,000	34,918,000	---
Utah	8,327,915	9,295,000	9,295,000	---
Vermont	272,502	149,000	149,000	---
Virginia	41,140,034	45,831,000	45,831,000	3,422,000
Washington	14,756,206	16,391,000	16,391,000	---
West Virginia	986,428	750,000	750,000	---
Wisconsin	2,061,915	2,301,000	2,301,000	---
Wyoming	2,943,960	3,285,000	3,285,000	---
District of Columbia	3,801,418	4,244,000	4,244,000	---
American Samoa	---	---	---	---
Guam	2,854,605	3,192,000	3,192,000	---
Puerto Rico	6,339,852	6,995,000	6,995,000	6,686,000
Trust Territory	---	---	---	---
Virgin Islands	---	---	---	---
Wake Island	---	---	---	---

1/ Estimated payments of entitlement under Section 3(a) at 90 percent or 100 percent, based on the degree of impact; special provisions and Section 6 at 100 percent. Section 3(b) children funded at a level not to exceed 70 percent of entitlement. Section 7 (disaster) cannot be estimated but will be funded at 100 percent.

2/ These amounts represent funding of Section 6 only at 100 percent of entitlement. No funds are being requested at this time for Sections 3(a), 3(b), or special provision, pending the enactment of new legislation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Obligation by Activity

School Assistance in Federally Affected Areas
(FY 1976 Estimate and July 1 - September 30 Period)

Page Ref.	Activity	FY 1976 Estimate	FY 1976 Estimate July 1 - Sept. 30
	1. Maintenance and Operations:		
	(a) Payments for "a" children...	$ 1/	$ 1/
	(b) Payments for "b" children...	1/	1/
	(c) Special provisions..........	1/	1/
	(d) Payments to other Federal agencies..................	46,000,000	5,000,000
	Subtotal	46,000,000	5,000,000
	2. Construction......................	10,000,000	---
	Total........................	56,000,000	5,000,000

1/ Funds for these activities will be proposed for later transmittal, pending the enactment of new legislation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

School Assistance in Federally Affected Areas

Amounts Available for Obligation

	1976	1976 July 1 - Sept. 30
Appropriation	$56,000,000	$5,000,000
Unobligated balance, start of year	---	---
Unobligated balance, end of year	---	---
Total, obligations	56,000,000	5,000,000

Obligations by Object

	FY 1976 Estimate	FY 1976 Estimate July 1 - Sept. 30
Lands and structures	$ 1,000,000	$ ---
Grants, subsidies, and contributions	55,000,000	5,000,000
Total obligations by object	56,000,000	5,000,000

	FY 1976 Estimate	FY 1976 Estimate July 1 - Sept. 30
1. Maintenance and operations:		
(a) Payments for "a" children...	$ 1/	$ 1/
(b) Payments for "b" children...	1/	1/
(c) Special provisions..........	1/	1/
(d) Payments to other Federal agencies.................	46,000,000	5,000,000
	46,000,000	5,000,000
2. Construction......................	10,000,000	---
Total..................	$56,000,000	$5,000,000

Narrative

An estimate of $5,000,000 is requested for Section 6 for the period July 1, 1976 - September 30, 1976. This amount was computed on the basis of estimated requirements for the July and August portion of summer school that is held following completion of the regular 1975-76 school year, and for September, the first month of the regular 1976-77 school year. The request is less than one-quarter of the 1976 estimate because it reflects the needs of only one regular school month, the opening month of September. In this month the needs are greater than a regular school month of the previous year due to anticipated teacher salary and other operating increases. In addition, funds are requested for two summer school months in which average daily attendance is considerably less than regular school months.

The funds requested will permit summer school and the opening of school for approximately 27 projects under which the Commissioner provides the full cost of education for children residing on Federal property where no State or local educational agency is able, because of State law or for other reasons, to provide suitable free education to such children.

No construction funds are requested for the interim period. Funds will be needed to complete the funding of a new school facility to house children residing on Indian land, a project which had been initially funded at an earlier date with funds made available from prior year appropriations. However, it is possible to postpone obligating these funds until October. Therefore these funds will be requested as part of the fiscal year 1977 budget.

1/ Funds for these activities will be proposed for later transmittal, pending the enactment of new legislation.

TUESDAY, MARCH 11, 1975.

EMERGENCY SCHOOL AID

WITNESSES

DR. HERMAN R. GOLDBERG, ASSOCIATE COMMISSIONER FOR SCHOOL SYSTEMS (EQUAL EDUCATIONAL OPPORTUNITY PROGRAMS)

DR. TERRELL H. BELL, COMMISSIONER OF EDUCATION

ROBERT R. WHEELER, ACTING DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS

DR. GEORGE R. RHODES, JR., ASSISTANT TO THE ASSOCIATE COMMISSIONER FOR SCHOOL SYSTEMS (EQUAL EDUCATIONAL OPPORTUNITY PROGRAMS)

CORA BEEBE, ACTING BUDGET OFFICER

MARILYN P. BECHTOLD, BUDGET ANALYST, EMERGENCY SCHOOL AID

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

INTRODUCTIONS

Mr. FLOOD. Let's talk about Emergency School Aid now. It wasn't very long ago that you were before the subcommittee and you were testifying on the 1975 appropriation for Emergency School Aid.

As you know, these funds will be included in the next supplemental bill. Final action has not been taken on that bill and probably won't be for some time.

That being the fact, no one knows at this point what amount will be appropriated for fiscal year 1975. Let's just take a look at what the current funding situation is.

The 1975 budget requested $75 million. The continuing resolution for 1975 authorizes an annual rate of $236 million. The 1974 appropriation was for $236 million.

The 1976 budget request we go into based upon that kind of a background. The presentation will be made by Dr. Herman R. Goldberg, the Associate Commissioner for School Systems, Equal Educational Opportunity Programs.

Of course you are accompanied by Dr. Bell, and Mr. Wheeler, of course, who is here.

Is there anyone else you want us to know?

Dr. GOLDBERG. Dr. George Rhodes, on Mr. Wheeler's left, is here. Charles Miller is here, and Mrs. Beebe and Ms. Bechtold behind us.

Mr. FLOOD. We have your biographical sketch, Dr. Goldberg, which will be placed in the record at this point.

[The biographical sketch follows:]

Name: Herman R. Goldberg.

Position: Associate Commissioner for Equal Educational Opportunity, U.S. Office of Education.

Birthplace and date: Brooklyn, N.Y., November 20, 1915.

Education: B.S., Brooklyn College, 1935; M.A., Columbia University Teachers College, 1944; LL.D., University of Rochester, 1965.

March 1971–June 1971: Associate commissioner for elementary and secondary education.

1963–1971: Superintendent of schools, Rochester, N.Y.

1958–1963: Coordinator of instructional services, Rochester, N.Y.

1948–1958: Director of special education, Rochester.

1949–1963: Lecturer in education, University of Rochester.

1943–1948: Lecturer in education, New York University and Columbia University.

1939–1948: Teacher, New York City public schools.

Additional experience: Distinguished visiting professor, Oregon State University, Corvallis, Oreg. Member, Ford Foundation study team, educational television public schools, American Samoa, member, New York State Teachers Retirement Board, chairman, President's National Advisory Council on Education of the Disadvantaged.

Chairman, invitational seminar on instructional television, Center for Advanced Studies in the Behavioral Sciences, Palo Alto, Calif. Commissioner, New York State delegation to the education commission of the States.

Moderator, Junior Town Meeting of the Air; John Hay humanities fellowship, Bennington College, Bennington, Vt. Fulbright professor at the University of Bologna, Italy, and consultant to the Italian and Israeli Ministries of Education. Member of 1936 U.S. olympic team, professional baseball player, American, International, and Canadian-American Leagues.

Publications: Editor, Rochester Occupational Reading Series (Science Research Associates, Inc.). Contributing author, otolaryngology (Wm. Proctor, Corp.). Contributing author, Education for the Exceptional (Porter Sargent, Inc.)· Contributing author, Integrated Education (Glencoe Press). Inventor, Chromovox linguistics teaching machine (Electro Networks, Inc.). Contributing author, Education for Tomorrow: The Role of Media, Career Development and Society (John Wiley and Sons, Inc.).

Mr. FLOOD. I see you have a prepared statement?

What are you going to do?

Dr. GOLDBERG. I would like to read it, Mr. Chairman.

Mr. FLOOD. Suppose you do.

GENERAL STATEMENT

Dr. GOLDBERG. Thank you.

Mr. Chairman and members of the committee, we are pleased to appear before your committee today to testify on the emergency school aid account. This account consists of the Emergency School Aid Act and title IV of the Civil Rights Act of 1964.

The appropriation request for the Emergency School Aid Act totals $75 million for fiscal year 1976. As this is a forward funded program, we are speaking of projects that will start July 1, 1976, with the exception of those projects in districts under emergency court order for which fiscal year 1975 grants will be made during 1975-76. This request is at the same level of Federal desegregation assistance included in the supplemental request for fiscal year 1975, and is based on the decreased level of desegregation activity being initiated across the Nation. This decreased level is seen in marked contrast to the level of previous years, which directly resulted from the numerous court desegregation orders of the late 1960's and early 1970's.

It is very difficult to make detailed estimates of the number of districts and students that will be affected by desegregation orders in the future. This is particularly true when voluntary desegregation activity has to be determined along with that which might be required by State and Federal courts and agencies. However, the present level of desegregation activity is expected to remain at a fairly low level relative to the late 1960's and early 1970's.

In view of this current pattern of desegregation activity, and in light of the fact that it is difficult to predict where major desegregation activity will occur, it is proposed that in 1976 the approach to desegregation assistance be the same as that proposed for 1975. This approach will concentrate program funds directly on those districts and supporting nonprofit organizations with the greatest desegregation needs to insure that these districts will receive the assistance they require.

To accomplish this, the $75 million would be targeted directly to the areas of greatest desegregation need through a project grant approach. With the $75 million requested, it is expected that a total of 242 awards will be made for basic and pilot program grants to local educational agencies, for public and private nonprofit organization grants, and for special programs and projects and evaluation grants and contracts.

For title IV of the Civil Rights Act of 1964, a total of $26,700,00 is requested in 1976. Capacity building at the State and local levels will be strongly emphasized by these programs in 1976, to insure adequate response to education problems occasioned by (1) desegregation; (2) unequal access to education of those national origin minority children who are not fluent in the English language; and (3) sex discrimination. Of the total appropriation request of $26,700,000, $5 million will be used for the support of training and advisory services for bilingual education at nine bilingual general assistance centers and through State education agency grants in about 14 States. Ten training institutes will be funded to provide training services for school personnel in dealing with problems of sex discrimination. A total of 221 training and technical assistance grant and contract awards are expected to be made, of which about 88 are expected to be new awards.

The entire Emergency School Aid appropriation, therefore, is expected to support a total of 463 emergency school aid, training, and advisory services grant and contract awards in 1976 for a total of $101,700,000. Together, these programs will serve approximately 13,085,000 students and train about 427,400 school personnel.

Mr. Flood. In your 1976 budget request now before us, your request is for $75 million. That is for Emergency School Aid?

Mr. Flood. You want $26.7 million for Civil Rights Advisory Services?

Dr. Goldberg. Yes, sir.

Mr. Flood. You want $26.7 million for civil rights advisory services?

Dr. Goldberg. Yes, sir.

HISTORY OF THE EMERGENCY SCHOOL AID PROGRAM

Mr. Flood. In order to get a handle on this budget let's start by talking about the past record of this Emergency School Aid program. Remember, it first began back in 1971.

The appropriation was $75 million. That was under several different authorities. Suppose you take it from there. Tell us what happened to the appropriations in subsequent years.

Dr. Goldberg. For the first 2 years of the Emergency School Assistance Program, for short, ESAP, $75 million was appropriated each year. The majority of funds went to districts undergoing court-ordered desegregation. Some 1,400 districts, as this committee will recall, changed from dual school systems to unitary systems at that time.

Following 2 years of effort under ESAP, the Congress passed and the President signed the Emergency School Aid Act. For school years

1973–74 and 1974–75, we had appropriations of approximately $236 million for each year. During those 2 years the funds were utilized north, east, south, and west. Districts in all 50 States were eligible. Voluntary as well as court-ordered desegregation were served through these funds.

Now, in the current year, with so many southern school districts already having achieved unitary school systems—although we acknowledge there are second generation problems left in many of these districts—we propose a new approach in fiscal year 1975. By "second generation problems" we mean problems incident to desegregation within the buildings, within schools, within classrooms, and among the children—not necessarily solely devoted to the legal fact that the school system has been legally desegregated.

There are still these remaining problems within the school buildings themselves, but we propose the major effort next year to be in the direction of those school districts receiving court orders for the first time, or for phase 2 of initial court orders, where districts still have a substantial way to go to get rid of de jure segregation. Quite a number of northern school districts seem to feel that they had problems related solely to neighborhood housing patterns or the de facto type of segregation. In many places the courts found otherwise, and hence districts under court orders, or those not under court orders but wishing to desegregate through resolutions of their boards and the determination of the superintendent and teaching staff, and where the community sometimes is behind it and sometimes is not, get equal footing. Court orders and voluntary efforts lie ahead for a lesser number of districts in school year 1975–76.

INITIAL AUTHORIZATION

Mr. Flood. You don't hear about this much anymore. I think most people have forgotten about it. You know the authorization, talking about 1971 when this thing was born, do you know that the authorization for this was $1.5 billion?

Dr. Goldberg. Yes, sir.

Mr. Flood. In view of the appropriations that have actually been made, if I can understate it again, that was certainly pretty optimistic, wasn't it? What was the reason? Was it overstatement or just simply what, fiscal restraint? What happened?

Dr. Goldberg. I imagine it was a combination of circumstances, Mr. Chairman.

Mr. Flood. Oh, sure.

Dr. Goldberg. The very heavy court activity probably put many folks on notice that it would eventually reach their communities, and moneys had to be available to assist. At that time the Congress found the conditions in the country requiring an appropriation of that sort.

An important factor, however, is the slowness of court action; the delays in many places, as I think I mentioned to this committee 2 weeks ago, and as exemplified by the situation in Texas where some school districts have been waiting now for 5 years for the Fifth Circuit Court of Appeals to render its phase 2 decisions. These decisions could come any day. They could come any month. They might not come for a year.

I think this different range of activities by district court judges and circuit courts renders certain sections of the country in faster movement during certain cycles of time, and others are waiting. There has been some uncertainty.

EFFECTIVENESS OF THE PROGRAM

Mr. **Flood.** Do you think this program has actually helped bring about equal educational opportunities for the minority children?

Dr. **Goldberg.** Yes, sir.

Mr. **Flood.** It has?

Dr. **Goldberg.** Yes, sir.

Mr. **Flood.** How about some examples?

Dr. **Goldberg.** When the presence of unequal facilities in majority-minority schools is noticed by parents whose children, as a result of court order or voluntary action, are being sent to those schools in a two-way transportation arrangement, insistence comes quickly that facilities be upgraded.

Schools without swimming pools, schools where lighting has not been upgraded, plumbing has not been upgraded, where gymnasia are substandard, where school furniture perhaps has been unequal, where the space in the schoolyards or drainage has gone for a long time unattended; when a wider range of parents becomes interested in the upgrading of these schools, school boards somehow seem to act more rapidly. I think that is the prime, basic example of what happens when parents from different communities in the same school district examine facilities and work hard to get them upgraded and equal to others.

Mr. **Flood.** There have been several evaluations of this program. Generally, what do they show about the effectiveness of this Emergency School Aid—these evaluations?

Dr. **Goldberg.** The Emergency School Assistance Program evaluation is the largest desegregation program evaluation completed to date. It was designed by OE, conducted by the National Opinion Research Center, NORC, and directed by Dr. Robert Crain. The ESAP evaluation provided us with the information that where positive interracial feelings exist among staff members—principal to teachers and teachers to children—the climate for learning and achievement is improved. Hence the suggestion that human relations activities, which were found to be effective by the ESAP evaluation, and the upgrading of understanding of teachers who work with pupils in the new pupil mix is of great importance, along with those instructional service upgradings that help children who had a lower level of achievement to do better, so that their acceptance can be both on a human relations point of view and the fact that they are doing well in school.

Mr. **Wheeler.** Mr. Chairman, if I might add, generally the evidence is beginning to emerge that those minority students who are involved in desegregation programs tend to raise their achievement in school. The most recent evidence shows that this is taking place in the elementary grades. The earlier ESAP evaluation showed that minority boys at the 10th-grade level who had been put into desegregated school settings, tended to do better in school than they had done previously.

The other important point, I think, that needs to be understood is that those children who belong to the majority group or who compose the majority group in a desegregated school do not do worse than they did before that school was desegregated.

CONTINUING NEED FOR THE PROGRAM

Mr. **Flood.** What evidence do you have available showing that the need for the new desegregation assistance has now been met in a number of States? What evidence do you have?

Mr. **Wheeler.** I don't know that we can say that the desegregation need has been met in a large number of States. What we can say is that we have progressed far enough along in desegregation activities so that it seems wise to us to change the strategy. We have set as our priorities, first of all, those school districts which might have to respond to court orders, or those school districts which might find themselves in a program of voluntary desegregation.

The large bulk of those will certainly arise from court decisions. We know from experience already that the litigation involving school districts with respect to desegregation is usually extended and takes a long period of time. The $75 million requested is not so much a reflection of the magnitude of desegregation which is still needed, as it is a reflection of the amount of money that it will take to respond to the desegregation cases and situations which we expect during this next budget period.

It should be clear that this $75 million does not represent the amount of money needed to completely desegregate the schools of this country.

BUDGET PROPOSAL

Mr. **Flood.** What kind of school districts would be assisted under the budget proposal? I think you mentioned in your earlier statement there were only 240 grants for these projects.

Dr. **Goldberg.** 242.

Mr. **Flood.** What is your definition of the term—and this is your term—"greatest desegregation need"?

Dr. **Goldberg.** We would, in this program, if we were able to work with the project grant authority, establish three priorities. The top priority would go to school districts undergoing new or additional desegregation for the first time for the school year 1975–76. That would mean a district, for example, Tucson, Tempe, or Phoenix, in Arizona, that has been talking about this problem, but where the court orders have not come down.

It would also be for districts, for example, Topeka, having had the school segregation problem allegedly settled many years ago, but now discovering that certain practices in that school district need remedying. That would be additional desegregation for school year 1975–76.

Priority 2 would be those districts that are undergoing additional desegregation—I am sorry, that had undergone new or additional desegregation—during the past 2 years, and have no new desegregation to introduce this year, but still have pieces of the old problem to rectify.

Priority 3 would be districts that completed their desegregation prior to the school year 1973–74. They, in almost all cases, were recipients of ESAP funds and ESAA funds, mostly for 4 years and some for 3. After priority 1 and priority 2 districts were reached, then those remaining applicants having meritorious applications and rating highest on the objective scoring scale would be funded under priority 3, if all funds were not yet exhausted. That of course depends on the rate of action in the courts.

Mr. **Flood.** Isn't that largely a matter of degree? For example, it would seem in regard to the student-faculty-administration relations—that is the whole thing—experience apparently indicates it would take a much longer period of time for desegregation simply to occur, than simply the time involved that you talk about in the actual assignment of the students to a particular school.

Do you agree with that?

Mr. **Wheeler.** Yes; I think that is largely true.

Mr. **Flood.** What kind of determination have you made that programs such as dropout prevention—that is not new with you—bilingual education—these are the things we hear about—or other things in this program should not be continued at the 1974 level?

Dr. **Bell.** I think, Mr. Chairman, the thing that we need to emphasize is that word "emergency." I think the administration's position is that they should only appropriate funds to cope with that and, following that, that State and local, plus other Federal funds, would be utilized for that purpose.

I think the administration's budget proposal of $75 million is to cope with those priority 1 and 2 items that Dr. Goldberg talked about. They are the ones that are still under the emergency, short of the shock of desegregation.

WORK OF PRIVATE ORGANIZATIONS

Mr. **Flood.** Has the work of private, nonprofit agencies diminished? How has that gone down in regard to this desegregation activity?

Dr. **Goldberg.** The work of the NPO's, or the nonprofit organizations, has not diminished. They have been extremely helpful.

Mr. **Flood.** What kind of functions do they perform under this program?

Dr. **Goldberg.** They have a series of activities that are available to them. Their prime purpose is to conduct activities in support of the local school system's desegregation plan. They can't go off tangentially and do their own activities, so they do community service activities.

Mr. **Flood.** How has the work diminished?

Dr. **Goldberg.** The work has not diminished. In 1976, there would be a fewer number of school systems served and therefore a fewer number of nonprofit organizations served to help the smaller number of school systems. They go in tandem.

BILINGUAL PROGRAMS

Mr. **Flood.** Because funding by State formula is going to be ended by the budget proposal, could you specify the criteria for allocating funds under the bilingual program?

Mr. **Wheeler.** Mr. Chairman, we are proposing——

Dr. **Goldberg.** Under the bilingual program set-aside or the State apportionment basic grants program?

Mr. **Flood.** Schools with the bilingual program.

Dr. GOLDBERG. I am sorry. Schools having bilingual programs, and wishing to apply for funds under the Emergency School Aid Act, under the administration's proposal, would not have a set-aside of funds from which to draw in competition with other districts around the Nation. They would, however, be able to apply for funds to support bilingual programs under the congressionally authorized 12 activities which are spelled out in the act.

In other words, districts would have to set their priorities, and perhaps ask for funds under the $75 million appropriation, to support the ESAA bilingual projects that they would like to do, and they would have to set that as a higher priority, if they so desired, ahead of other kinds of remedial or human relations activities coming from their needs assessment.

Mr. FLOOD. How was it determined that the current bilingual programs were so successful, to the point of lowering the current programs?

Dr. GOLDBERG. We have, as you recall from the supplemental that the Congress granted under title IV of the Civil Rights Act, $5 million additional to work on problems of non-English-speaking children or those coming from non-English-language dominant homes. That additional $5 million under title IV of the Civil Rights Act will help us in preparation of teachers and in bilingual education capacity building.

In addition, title VII of ESEA will have an additional amount for bilingual education; an increase of $35 million, so that what we might be losing in the ESSA portion of this bilingual set aside would be increased in the title VII bilingual program itself. So there would be the balancing factor there, sir.

Mr. WHEELER. These figures don't match exactly, Mr. Chairman, but we think that under these three authorities—the discretionary prerogative of a school district to apply for a bilingual component under the basic grant and pilot part of this program; assistance that we will be giving them from the $5 million for title IV which will establish the *Lau* bilingual education assistance centers; and the bilingual program itself, which seeks to build capacity and also demonstrate bilingual projects—the emergency bilingual education needs can be met.

Mr. FLOOD. We are concerned about the yardstick and its application, which results in reduction of the current projects.

Mr. WHEELER. Yes. There certainly is a reduction. We can't say that there isn't. We think through some of the other authorities at least most of the need will be met.

Dr. BELL. I think it is important to say that largely it will be those priority 3 projects, that Dr. Goldberg talked about, that will not be funded. There will be very few of them funded under our 1975 appropriation. That would be my estimate, Dr. Goldberg, if I am not wrong on that.

EMERGENCY PROJECTS

Mr. FLOOD. You mentioned also, and in the budget proposal, provision will be made for 10 emergency special projects, such as Boston.

How much funds are anticipated for taking care of such emergency special projects? How about that?

Dr. GOLDBERG. Mr. Chairman, this again depends upon the pace at which courts work, and where this pace does not conveniently match our date of receipt of applications.

In a 2-year span, sir, in 1973 and 1974, 5 such districts, in the first year, Lansing, Mich.; South Pike, Miss.; Grand Prairie, Tex.; Albemarle County, Va.; and Caddo Parish, La., had court orders after the date of receipt of applications for our program. There was then awarded under special emergency projects the sum of $328,412. The following year the first semester, San Francisco, Calif.; Dayton, Ohio; Montgomery, Ala.; Compton, Calif.; Lumberton, Miss.; Hot Springs, Ark.; and Denver, Colo., applied for, and were awarded, a total of $3.7 million.

Mr. **Flood**. How much funding is anticipated for taking care of the emergency special projects?

Dr. **Goldberg**. We go to the comptroller's office and ask for a warrant to meet the needs that we hear about that are coming up through court orders. For example, we asked for $3 million from the comptroller's office to take care of Boston, St. Paul, Kingsville, and Huntsville.

Mr. **Flood**. What is the answer, how much funding?

Dr. **Goldberg**. I don't know for next year. I cannot tell you how much we will ask for late court orders, until we find out which districts will have late court orders.

Mr. **Flood**. Will the funds be made available to other projects if they are not used, if they go unused?

Dr. **Goldberg**. The funds, if not used for late court orders, will be encumbered in the regular cycle of our funding in the fourth quarter.

Mr. **Flood**. The answer is yes?

Dr. **Goldberg**. Yes.

Mr. **Flood**. What is your definition of an emergency special project?

Dr. **Goldberg**. An emergency special project is a project that is awarded to a district which competes with other districts similarly situated, which did not apply for funds in the regular funding cycle. They are out of cycle projects.

Mr. **Flood**. Mr. Natcher?

NUMBER OF AWARDS

Mr. **Natcher**. Dr. Goldberg, in your statement to the committee, you point out that a total of 242 awards will be made from the $75 million forward funding money.

How many do we have at the present time?

Dr. **Goldberg**. 1,080.

CRITERIA FOR ALLOCATING FUNDS

Mr. **Natcher**. How do you arrive at who is to receive the awards? Who makes this decision?

Dr. **Goldberg**. The decision is made in the Office of Education. The decision is made in our office, based upon the objective criteria appearing in the Federal Register and in the manual of operations which applicants have in advance. They compete with others within the State. There is presently a State amount, and applicants within the State prepare applications, send them to the regional office. They are rated by panels. Those recommendations come to Washington. Districts must pass an Office of Civil Rights threshold clearance in terms of meeting the eligibility requirements of the law. Then they are rank ordered. We fund from the top down. When the funds in that State are exhausted, the others go in what is called fiscal hold. That means no more money left in the particular State.

This bill has a resubmit feature; in other words, there are no one-time losers. A district that doesn't have a quality application in its first attempt has the privilege of redoing it with technical assistance from our office. They then resubmit their application, in the hope of having a better score in the second round. In the last regular funding cycle, we held back one third of the funds for round 2, so that it became a feasible operation.

If they do better in round 2, then they compete for that remaining one third of the funds. When a State does not use its full apportionment, the funds go into a national pool, and then are distributed on the basis of the same formula to those States having districts waiting in line where the funds had been exhausted for that particular State. In that way, we distribute until the entire sum is encumbered.

Mr. NATCHER. Thank you, Dr. Goldberg.

Thank you, Mr. Chairman.

Mr. FLOOD. Mr. Patten?

Mr. PATTEN. No questions.

Mr. FLOOD. Mr. Obey?

Mr. OBEY. No questions.

Mr. MILLER. Mr. Chairman, before you leave this, every once in a while I want to indicate that we do listen to the Congress. I know that sometimes seems unbelievable, but we do.

If you recall, when we were up on the supplemental, we had what you regarded as point of order language before you and had no legislation to back it up. The way the budget is presented to you, it appears that we are back again in 1976 with the same posture. We are not.

Following that hearing we took the word back, and we have changed our policy and we will submit legislation to back it up. You will not be faced with point of order language unbacked by legislation.

Mr. FLOOD. I am for that. Mr. Shriver?

SEX DISCRIMINATION

Mr. SHRIVER. Dr. Goldberg, can you tell us how much of this request is for programs dealing with sex discrimination in the schools?

What types of programs are these?

Would you have anything to do with the actual enforcement of the title IX regulations, which I understand have now gone to the White House?

Dr. GOLDBERG. None of the requested funds for the Emergency School Aid Act are for the purpose of dealing with sex discrimination in the schools.

Title IX is a program which prohibits sex discrimination in all educational institutions and systems receiving Federal funds. The Office of Education will not be responsible for the enforcement of the title IX regulations. This will be the responsibility of the Office for Civil Rights.

However, title IX amended title IV of the Civil Rights Act of 1964 by changing the definition of desegregation to include discrimination based on sex as well as discrimination based on race, color, religion, or national origin.

Title IV of the Civil Rights Act authorizes the Commissioner to render technical assistance and training upon the request of a local education agency in problems incident to the development and implementation of a desegregation plan.

From funds made available for title IV projects, at least 10 awards will be made for training institutes, of which the primary focus would be training with regard to desegregation on the basis of sex.

Title IV grants and contracts will also be awarded for the purpose of rendering technical assistance, upon the request of a local education agency, to any school board in the preparation, adoption, and implementation of plans or programs for the desegregation of public schools. Such technical assistance will include discrimination based on sex.

TITLE I, ESEA VERSUS ESAA

Mr. SHRIVER. What steps do you take to see that these funds do not merely duplicate compensatory education funds under title I of the Elementary and Secondary Education Act?

Dr. GOLDBERG. The purpose of ESAA is to make financial assistance available to meet the special needs incident to the elimination of minority group segregation and discrimination among students and faculty, to encourage the voluntary elimination, reduction, or prevention of minority group isolation, and to aid schoolchildren in overcoming the educational disadvantages of minority group isolation.

Most ESAA grants are basic awards designed to meet problems incident to the implementation of a desegregation plan to eliminate or reduce minority group isolation. Basic awards fund activities that are designed to decrease the achievement gap which occurs when desegregation plans are implemented and to improve intergroup relations.

ESAA projects often provide services for students that lose title I services when school attendance areas are modified by the implementation of a desegregation plan. Title I funds do not follow the child from one year to the next when the school in which the child attends becomes ineligible. This situation frequently occurs during the desegregation process. Far from duplicating title I programs, ESAA insures against the loss of services provided for educationally deprived children who are reassigned under a desegregation plan.

Title I of ESEA was enacted to fund compensatory programs in school attendance areas having high concentrations of children from low-income families. Since basic ESAA grants are not for the purpose of compensatory education they do not duplicate title I, ESEA programs.

ESAA pilot projects are designed to overcome the adverse effects of minority group isolation by raising the level of achievement. Activities funded under pilot projects do include compensatory education programs. However, careful application processing and onsite monitoring insures that pilot projects do not duplicate any title I programs.

MATHEMATICS PROJECTS

Mr. SHRIVER. Your new authorizing legislation provides for grants for projects in mathematics instruction. As I understand it, this would be very high-level mathematics. Why would that be considered an emergency need in these schools?

I hope this will not come at the expense of reading and writing skills training.

Dr. GOLDBERG. The authority for special mathematics projects was added to section 708(a) of the Emergency School Aid Act by Congress in the Education Amendments of 1974. This program is not included as a priority for funding under our $75 million request.

If an appropriation is made for all sections of the Act, special mathematics projects could be supported with a portion of funds available to the Assistant Secretary through the discretionary account—a total of 5 percent of the appropriations. Almost all support for reading and writing skills comes from the State apportionment section of the Act—a total of 87 percent of the appropriation.

CONCENTRATION OF EMERGENCY SCHOOL AID FUNDS

Mr. MICHEL. In consolidating the program under the so-called special projects category, you indicate one of the main reasons is the progress already achieved in desegregating schools, particularly in the South. Is there any specific area in the country where aid is not being concentrated, either geographically or on an urban-rural breakdown?

Dr. GOLDBERG. The purpose of requesting all ESAA funds under discretionary project grants is to make it possible to target desegregation assistance on those school districts with the greatest desegregation needs regardless of location.

There is no geographic area or urban-rural breakdown in which ESAA funds are presently being concentrated. The following table gives the amount of ESAA grants for each State awarded from the fiscal year 1974 appropriation.

ESAA grant awards by State fiscal year 1974 [1]

1. Alabama	$10, 792, 634	30. New Hampshire	----------
2. Alaska	178, 479	31. New Jersey	$5, 327,085
3. Arizona	2, 378, 212	32. New Mexico	3, 283, 037
4. Arkansas	4, 446, 146	33. New York	21, 272, 400
5. California	28, 049, 297	34. North Carolina	10, 902, 766
6. Colorado	2, 743, 909	35. North Dakota	199, 794
7. Connecticut	2, 926, 710	36. Ohio	3, 998, 500
8. Delaware	811, 643	37. Oklahoma	3, 645, 318
9. District of Columbia	3, 284, 189	38. Oregon	497, 133
10. Florida	12, 980, 781	39. Pennsylvania	5, 255, 513
11. Georgia	11, 388, 084	40. Rhode Island	983, 344
12. Hawaii	255, 201	41. South Carolina	7, 449, 436
13. Idaho	188, 704	42. South Dakota	485, 859
14. Illinois	7, 290, 981	43. Tennessee	6, 354, 382
15. Indiana	2, 305, 190	44. Texas	25, 053, 110
16. Iowa	307, 257	45. Utah	565, 625
17. Kansas	1, 105, 486	46. Vermont	----------
18. Kentucky	2, 042, 518	47. Virginia	7, 987, 690
19. Louisiana	9, 039, 642	48. Washington	2, 107, 878
20. Maine	249, 402	49. West Virginia	379, 503
21. Maryland	3, 263, 927	50. Wisconsin	922, 623
22. Massachusetts	3, 436, 707	51. Wyoming	155, 289
23. Michigan	6, 223, 612	52. American Samoa	----------
24. Minnesota	1, 514, 805	53. Guam	663, 522
25. Mississippi	5, 319, 245	54. Puerto Rico	1, 500, 000
26. Missouri	2, 877, 807	55. Trust Territory	270, 612
27. Montana	419, 676	56. Virgin Islands	776, 065
28. Nebraska	58, 174		
29. Nevada	333, 924	Total	236, 248, 916

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[1] Each State total includes basic, pilot, nonprofit, and statutory set-asides.

PRIORITIES FOR DISTRIBUTING EMERGENCY SCHOOL AID FUNDS

Mr. MICHEL. If we appropriate $75 million under the project grant approach, would this be sufficient to meet the highest priority desegregation needs? What would be your priorities for distributing the funds?

Dr. GOLDBERG. The purpose of the project grant approach makes it possible to target desegregation assistance on those school districts with the greatest desegregation needs. Under this approach, the first priority of need would be those school districts implementing new and/or additional desegregation for the 1975–76 school year. The second priority of need would be those school districts that implemented new and/or additional desegregation in the 1973–74 and 1974–75 school years. The third priority would be those school districts that completed desegregation prior to 1973–74.

Awards would be made to meritorious applications under priority 1, first; priority 2, second; and priority 3, third. Competition within each priority would be on a national basis with funding from the top down until all funds were exhausted. An appropriation of $75 million would be adequate to meet all priority 1 school districts.

ESAA PROGRAM EVALUATION

Mr. MICHEL. What kinds of emergency school programs seem to be the most effective? What have your evaluation studies shown?

Dr. GOLDBERG. The national evaluation of the ESAA basic and pilot programs has the following objectives:

(1) Determination of the short and long term national impact of the program in terms of the act's objectives—namely, reduction of minority group isolation, elimination of discrimination, and improvement of basic skills in elementary and secondary schools;

(2) Identification and description of the needs of students in or from minority isolated schools, the characteristics of local programs including their resource allocation's relationship to needs, and the interrelationships of those factors with program impact;

(3) Documentation and dissemination of information relating to unusually successful local programs and program components that appear to be related to success;

(4) Determination of the relative effectiveness of three forms of educational intervention—desegregation, compensatory education, and their combination—as compared to no special intervention in minority isolated schools; and

(5) Investigation of the relationships among regular school expenditures, supplementary ESAA expenditures, and program impact in an attempt to determine local program cost/effectiveness and the minimum supplemental expenditures necessary to insure some measure of program success.

In an attempt to achieve those objectives, data are being collected from a nationally representative sample of ESAA-funded school districts over a period of 2 to 3 school years.

Your question regarding effectiveness of ESAA is addressed, at the national level, by the first and second objectives of the study, while the remaining three objectives address program effectiveness at the local level. Only 1 year of data collection has been completed to date, and analysis of data collected has not been completed. The first year's analysis is scheduled for completion on or about June 30, 1975.

Mr. MICHEL. Have you been able to pinpoint, from the evaluations thus far, any measurable progress the emergency school aid funds have achieved in facilitating desegregation?

Dr. GOLDBERG. The ESAA national evaluation has as its primary objective the determination of national program impact in terms of the act's specific objectives—namely, reduction in minority group isolation, reduction in segregation and discrimination, and improvement in the basic skills of students in or from minority isolated schools. Data have been collected during fiscal year 1974, and are currently being collected this year, from students, teachers, principals, and school district personnel in a nationally representative sample of ESAA school districts. Data analysis for ESAA I, fiscal year 1974, will not be completed until the end of the current fiscal year.

Nevertheless, there are two findings associated with the evaluation to date. The first relates to the needs of students in minority isolated schools and the second deals with a preliminary finding regarding national impact.

Student needs were assessed on the basis of achievement test administration in May and June of 1973, in a nationally representative sample of ESAA eligible minority isolated schools, prior to program implementation. From this sample it was found that students at grades 3, 4, and 5 in minority isolated schools, regardless of racial or ethnic affiliation, are achieving at the 20th percentile in math and reading. This means that 80 percent of the students in the Nation achieve at higher levels than students in minority isolated schools. It is therefore concluded that students in minority isolated schools have a severe need for remedial math and reading programs.

Again, although data analysis for the first year of ESAA will not be completed until June 30, 1975, some preliminary results are available. These data indicate that students at the elementary and secondary level in ESAA basic and pilot program schools are gaining in achievement more than would be expected of them on the basis of preprogram measures of achievement, and in many cases, gains have been demonstrated which are as large or larger than would be expected of average children in reference to national norms.

If those preliminary results hold up under more in-depth analysis, it will be concluded that the ESAA program has been successful in meeting one of its primary objectives; namely, improving the basic skills of students in or from minority isolated schools.

Analyses of data relating to the other two of the act's objectives, those of reduction in minority group isolation and discrimination, have not yet been completed. Consequently, no conclusion, even preliminary, can be made regarding those objectives.

Mr. MICHEL. $750,000 is being requested to apparently complete the evaluation of this program. Will these funds, in fact, complete the funding, or will further funding be needed?

Dr. GOLDBERG. The national evaluation of the ESAA basic and pilot programs was originally designed to collect data from a nationally representative sample of students in ESAA funded districts over a period of 3 school years. The $750,000 requested for fiscal year 1975 will provide funds to complete the second year of data collection and data analysis. The third year of data collection will be canceled or reduced in scope given the proposed funding level for fiscal year 1976.

TYPES OF EMERGENCY SCHOOL AID PROGRAMS

Mr. MICHEL. What sorts of programs are being undertaken with these emergency school aid funds?

Dr. GOLDBERG. There are several categories of programs for which ESAA grants were awarded for the 1974–75 school year. These program categories, in rank order of expenditures, are: Basic grants, pilot projects grants, nonprofit organization grants, bilingual grants, special project grants, educational television grants, and evaluation contracts.

The purpose of a basic grant is to fund activities that would otherwise not be funded and are directly related to, and necessary to, the implementation of a plan for the elimination or reduction of minority group isolation. Basic grants provide instructional services designed to decrease the achievement gap which occurs when desegregation plans are implemented. These grants also include human relations components designed to improve intergroup relations through programs based on the needs identified by school staff, students, parents, and the community.

The purpose of a pilot project grant is to fund promising and innovative programs designed to overcome the adverse effects of minority group isolation.

The purpose of a nonprofit organization grant is to fund public or private nonprofit organizations to carry out programs designed to support a school district implementing a plan for the elimination or reduction of minority group isolation.

The purpose of bilingual projects is to both teach English as a second language, and, to meet special educational and cultural needs of minority group children, who are from environments in which the dominant language is other than English.

Special project grants were made from funds specifically set aside to carry out activities which the Assistant Secretary determined would make a substantial contribution toward achieving the purposes of the act. Basic projects grants were made to U.S. jurisdictions other than States and to local educational agencies implementing desegregation too late in the school year to apply for ESAA assistance from State apportioned funds.

Special art projects were funded to bring schools and communities together in an exhibition of interracial/intercultural cooperation and understanding through expression in visual arts and other media.

Special reading projects were funded to establish quality reading programs in an integrated setting.

The purpose of educational television projects is for the development and production of integrated children's television programs of sound educational value with emphasis on such areas as bilingual/bicultural education, reduction of interracial tension among students, and minority problems in special U.S. geographic areas.

The evaluation contracts include basic and pilot projects. The objectives include determining the national impact of the basic and pilot grants in relation to the purposes of the act.

TITLE VII, ESEA VERSUS ESAA AND TITLE IV BILINGUAL SERVICES

Mr. MICHEL. The bilingual education program appears to be largely a duplication of the bilingual program under ESAA. Is this your view, and is it thus your view that separate categorical funding is no longer necessary because bilingual funds could be obtained from the ESEA program as well as the special projects program?

Dr. GOLDBERG. The purpose of ESEA bilingual education programs is to assist local educational agencies in responding to the special educational needs of children of limited English-speaking ability. Awards are made to develop and implement a capacity building bilingual/bicultural program, focusing specifically on inservice training, teacher prepraration, and developmental assistance.

The purpose of ESAA bilingual programs is to assist local educational agencies implement desegregation plans. ESAA bilingual grants are specifically designed to teach both English as a second language, and, to meet special educational and cultural needs of minority group children related to problems occasioned by desegregation. This type of program differs in emphasis from ESEA bilingual programs and does not represent a duplication of services.

High priority school districts applying for basic ESAA grants under the $75 million request could include bilingual activities in their application if such activities were necessary to the implementation of a desegregation plan. This kind of need could not be served by the ESEA bilingual program. ESAA bilingual funding would be limited to priority I school districts.

Mr. MICHEL. I notice under the training and advisory services program that funds are still being made available for bilingual education training and technical services. Are not such activities under this program largely duplicating the activities funded under ESEA bilingual program.

Dr. GOLDBERG. No. Section 403 of title IV of the Civil Rights Act of 1964 authorizes the Commissioner to render technical assistance and training upon the request of a local educational agency in the preparation adoption, and implementation of plans for the desegregation of public schools.

In *Lau* v. *Nichols*, the Supreme Court held that where about 1,800 non-English speaking students of a common language background were not provided with special instruction taking account of such background, the school system violated section 601 of the Civil Rights Act of 1964. The Court said that the school system's denial to non-English-speaking students of a meaningful opportunity to participate in the system's educational program constituted discrimination. Hence, the title IV regulations were amended to include discrimination based on a denial of equal opportunity for effective participation in educational programs because of English language deficiencies.

Title IV will award contracts for the purpose of rendering technical assistance upon the request of any local education agency with a Lau-type problem to assist in fashioning a remedy to correct the problem and to provide staff training necessary to implement the remedy.

These funds are strictly for the technical assistance and training necessary to correct a violation of the Civil Rights Act. Title IV of this act is the only authorization permitting this kind of activity. Grants are not made under title IV to operate bilingual programs.

In no way does this duplicate the activities funded under the ESEA bilingual program. ESEA awards bilingual grants directly to local education agencies.

EEOP OFFICE ORGANIZATION

Mr. MICHEL. Would you provide for the record an organizational chart of your agency, showing the number of people, their salary levels, and their functions.

Dr. GOLDBERG. We will be happy to provide that information for you.

[The information follows:]

EQUAL EDUCATIONAL OPPORTUNITY PROGRAMS, BUREAU OF SCHOOL SYSTEMS, U.S. OFFICE OF EDUCATION

FUNCTIONAL STATEMENT

The mission of EEOP is to provide Federal leadership and assistance, both technical and financial, for agencies and institutions pursuing the goal of equal educational opportunity for all the Nation's elementary and secondary school students.

EEOP is responsible for the administration of desegregation assistance programs authorized by the Emergency School Aid Act of 1972 (Public Law 92-318, title VII) as amended, and title IV of the Civil Rights Act of 1964 (Public Law 88-352). More specifically, the EEOP is responsible for the overall direction and coordination of both headquarters and regional operations.

This organization is not program-specific. Instead, it is structured to deal with the basic functions involved in administering any large, decentralized program of financial support.

Headquarters operations fall primarily within the related areas of policy and procedures development, departmental and congressional liaison, national information dissemination, coordination of regional operations, and direct administration of certain centralized programs.

The Associate Commissioner and his immediate staff number six and are responsible for:

Executive leadership and direction.

Maintenance of uniform program planning and coordination of all assigned programs within the organization.

Administration of all programs assigned to the organization.

Associate Commissioner	$36,000
Education program officer	32,800
Secretary	13,192
Secretary	12,626
Secretary	10,198

Division of Program Development

This Division is responsible for the initiation, coordination and renewal of program strategies; the identification and reporting of specific program accomplishments; and the development and implementation of administrative guidelines, management models, operational plans and training materials. The division is organized into a Program Systems Branch and a Program Services Branch.

A. Program Systems Branch

The Program Systems Branch is responsible for detailed program planning and internal evaluation, and for preparing both routine and special reports on program objectives, problems, strategies and accomplishments, including reports to the Congress.

B. Program Services Branch

The Program Services Branch, on the other hand, is concerned with the procedural, data handling and decisionmaking aspects of program development, including the preparation of guidelines and training packages to facilitate implementation of these guidelines. Additionally, the Program Services Branch is responsible for administrative support and continuous analysis of resource utilization, both with the Bureau and in the regional EEOP offices. Administrative support functions include initiating and tracking personnel actions and procurement 'requests, fiscal control, and office services. Resource analysis functions include cost-effectiveness studies, budget preparation, organizational development, and coordination with legal and business management officials outside EEOP.

Division of Program Development:	
Director	$31, 806
Secretary	11, 573
Program systems branch:	
Acting chief	28, 140
Education program specialist	20, 923
Do	20, 308
Do	15, 481
Do	15, 481
Do	12, 416
Stride intern	11, 222
Do	10, 871
Secretary	8, 500
Clerk-typist	6, 764
Program services branch:	
Chief (vacant)	
Education program specialist	20, 308
Program specialist	18, 463
Education program specialist	15, 997
Program specialist	12, 841
Program assistant	11, 685
Secretary	9, 349
Secretary	8, 500
Clerk-typist	7, 596

Division of Program Development—Functions

Policy development.

Development and maintenance of management systems.

Budget planning and development.

Regulation development.

Raising the level of regional staff competence in technical assistance and dissemination.

Materials development.

Training—Washington and regional staff.

Monitoring.

Liaison with other Government agencies and outside organizations.

Data analysis and dissemination.

Audits.

Technical assistance.

Evaluation.

Requests for general EEO information.

Grants initiation and management.

Division of program operations

The Division of Program Operations is responsible for supervising and facilitating the activities of the 10 regional EEOP staffs and for directly administering the operational aspects of centralized EECP programs. Regional coordination includes communication of objectives, training and technical assistance to the regional offices, advocacy for regional interests, and (if necessary) intervention in the client/regional office relationship. Centralized activities within the purview of DPO are those which are national in scope, limited in number, and/or highly specialized.

A. Program coordination branch

Specific duties include appropriate supervision of regional office activity (includes technical assistance, processing, training of staff, paneling applications, and finalizing recommendations) to insure uniformity and compliance with approved management procedures.

B. Special projects branch

The special projects branch directly administers the Metro, ETV, and discretionary activities authorized by ESAA. In addition, SPB also coordinates the special reading program and other ESAA activities which are administered by organizations outside EEOP.

Division of Program Operations:	
Director	$33, 794
Secretary	12, 977
Special assistant	35, 782
Coordination branch:	
Education program specialist	30, 699
Do	28, 140
Do	35, 782
Do	36, 000
Do	32, 800
Do	26, 178
Do	21, 816
Do	25, 451
Do	13, 269
Do	12, 841
Do	14, 125
Do	14, 553
Program assistant	10, 871
Secretary	10, 421
Do	9, 066
Do	9, 349
Special projects branch:	
Chief	27, 287
Education program specialist	31, 552
Do	23, 997
Do	25, 451
Do	18, 463
Do	12, 841
Stride intern	10, 737
Secretary	9, 915
Clerk-typist	6, 989

Division of program operations—functions

Policy development.
Budgeting.
Regulation development.
Raising the level of regional competence and insuring uniformity in the administration of the act.
Development and maintenance of management system.
Administration and supervision.
Liaison with other departments, agencies outside organization.
Legal activity.
Technical assistance.
Application processing.
Training—headquarters and regional staffs.
Monitoring.
Materials development.
Project closeouts.
Congressional/client related correspondence.

Regional operations are primarily concerned with technical assistance to grant applicants, review and recommendation for approval of grant applications, and monitoring of funded projects. These activities take place in 10 regional offices:

I. Boston: Connecticut, Maine, Vermont, Massachusetts, New Hampshire, Rhode Island.
II. New York: New York, New Jersey, Puerto Rico, Virgin Islands.
III. Philadelphia: Delaware, District of Columbia, Maryland, Virginia, West Virginia, Pennsylvania.
IV. Atlanta: Alabama, Florida, Georgia, Kentucky, Mississippi, Tennessee, North Carolina, South Carolina.
V. Chicago: Illinois, Indiana, Minnesota, Ohio, Michigan, Wisconsin.
VI. Dallas: Arkansas, Louisiana, Texas, New Mexico, Oklahoma.
VII. Kansas City: Iowa, Kansas, Missouri, Nebraska.

VIII. Denver: Colorado, Montana, Utah, North Dakota, South Dakota, Wyoming.
IX. San Francisco: Arizona, California, Hawaii, Nevada, American Samoa, Trust Territory, Guam, Wake Island.
X. Seattle: Alaska, Idaho, Oregon, Washington.

Region I:	
Senior program officer (education program specialist)	26, 434
Program officer (education program specialist)	21, 816
Do	21, 816
Do	21, 816
Clerk-typist	7, 596
Region II:	
Program manager	28, 140
Education program specialist	23, 997
Do	15, 481
Education program research assistant	13, 269
Plans and projects assistant	10, 195
Education program assistant	8, 500
Clerk-typist	6, 984
Do	7, 214
Region III:	
Program manager	$26, 000
Education program specialist	25, 451
Do	24, 724
Do	24, 724
Do	24, 724
Do	22, 543
Do	18, 463
Education technician	10, 871
Clerk (typing)	9, 632
Clerk-steno	7, 596
Clerk-typist	8, 355
Region IV:	
Education program specialist (program manager)	25, 581
Education program specialist (assistant program manager)	19, 078
Program assistant	14, 981
Do	8, 783
Education program specialist (coordinator field services)	21, 816
Education program specialist (FS program officer)	24, 724
Do	24, 724
Do	23, 997
Do	23, 997
Do	23, 997
Do	21, 816
Do	23, 997
Do	25, 451
Do	24, 724
Do	23, 997
Do	24, 724
Do	23, 997
Do	18, 463
Do	15, 997
Do	15, 841
Do	12, 841
Program assistant	11, 053
Clerk-stenographer	7, 596
Clerk-typist	7, 596
Do	7, 539
Region V:	
Program manager	29, 846
Secretary	8, 782
Program officer	23, 997
Do	23, 997
Do	22, 943
Do	21, 816
Do	15, 997

Program specialist	12, 841
Program assistant	10, 371
Stride intern	11, 053
Clerk-stenographer	7, 842
Clerk-typist (receptionist)	6, 764
Region VI:	
Program manager	28, 140
Senior program officer	28, 140
Do	23, 997
Special Assistant training officer	24, 724
Education program officer	23, 997
Do	25, 471
Do	23, 997
Do	24, 724
Do	29, 846
Do	23, 997
Do	23, 997
Do	24, 724
Do	24, 724
Do	23, 270
Do	26, 178
Do	23, 997
Do	19, 078
Do	18, 061
Educational program specialist	14, 981
Do	10, 520
Do	10, 520
Education technician	10, 481
Do	8, 783
Do	10, 737
Administrative clerk	11, 685
Grants management clerk	9, 349
Clerk-stenographer	9, 114
Do	8, 861
Clerk-typist	7, 596
Region VII:	
Education program specialist	28, 140
Do	23, 997
Do	15, 481
Education technician	13, 968
Clerk-stenographer	7, 596
Region VIII:	
Supervisory education program specialist	27, 787
Education program specialist	19, 693
Do	20, 923
Do	20, 308
Do	12, 626
Do	7, 849
Secretary	7, 596
Region IX:	
Program manager	27, 287
Education program adviser	26, 178
Education program specialist	26, 178
Do	24, 724
Do	25, 451
Do	25, 451
Education technician	14, 125
Education program specialist	12, 841
Education technician	9, 349
Clerk-typist	7, 596
Do	9, 367
Secretary (typing)	8, 500
Education technician (stay-in-schooler)	8, 500
Region X:	
Program manager, education program specialist	22, 543
Program officer, education program specialist	12, 841
Control clerk	11, 573

Regional functions

1. Processing applications.
2. Responding to program inquiries.
3. Setting up review panels.
4. Processing application resubmits.
5. Negotiating final budgets and assisting in processing grant awards.
6. Responding to RD's concerns.
7. Responding to congressional and other inquiries.
8. Preparing press, congressional and other notifications.
9. Administering and processing panelist vouchers for payment.
10. Conducting pregrant site reviews.
11. Coordinating with OCR relative to eligibility problems.
12. Preparation of funding recommendations and/or decision awards.
13. Responding to RDRS system.
14. Comprehensive onsite monitoring of Federal programs.
15. Providing program backup materials to central office.
16. Drafting reports and recommendations relative funded projects.
17. Responding to regional attorney on legal matters affecting program.
18. Participating in OCR reviews of funded projects.
19. Holding informational meetings and conferences with grantees.
20. Processing quarterly reports and requests for cash.
21. Coordinating technical assistance activities of GAC's and SEA's.
22. Participating in appeals, audits and final closeouts.
23. Meeting with SEA's, nonpublic school officials, nonprofit directors and university officials re: program.
24. Participating with Washington, D.C., in the development and revision of national guidelines, regulations, administrative and program procedures.
25. Providing information to Washington, D.C., on program status and progress.
26. Providing written information concerning EEO to regional director, regional commissioner, director of school systems, central office staff, Congressmen and interested citizens.
27. Providing TA to clients.
28. Giving assistance concerning program development.
29. Reconciling audits.
30. Coordinating OCR activities with ESAA.
31. Analyzing and assessing project applications.
32. Serving as team leader on reviews.
33. Reviewing and analyzing post award information.

EASA PROGRAMS AND SIMILAR OE PROGRAMS UNDER SEPARATE LEGISLATION

Mr. Michel. Would you also provide for the record, a listing of those programs under your agency which overlap in one respect or another, with other programs within the Office of Education. Can such programs be consolidated to make them more concise and lessen administrative costs and programmatic duplication?

Dr. Goldberg. All equal educational opportunity programs are unique in that the purpose and focus of these programs is to achieve equal educational opportunity for all students. EEO programs cannot be consolidated with other programs that have congressional authorization with different goals and purposes. However, we will be happy to provide a listing of activities that are similar to some EEOP activities but which are designed to achieve the purpose of their respective authorizing legislation.

[The information follows:]

EMERGENCY SCHOOL AID ACT ACTIVITIES AND OTHER SIMILAR OE PROGRAMS UNDER SEPARATE LEGISLATION

ESAA activities	Other OE activities	Remarks
Integrated education television.	Educational television program support.	Most funds appropriated to other OE educational television programs support grants for Sesame Street and Electric Company. The Communications Act also provides for the purchase of equipment for educational radio and television stations. This type of support is unrelated to ESAA integrated education television programing.
Bilingual education	Bilingual Education Act (ESEA).	The Bilingual Education Act essentially supports teacher training, and curriculum development. ESAA bilingual grants fund bilingual/bicultural programs in school districts which have undertaken plans to desegregate or reduce or prevent minority group isolation. Materials and programs developed under ESEA may be used. The programs thus are complimentary rather than overlapping.
Compensatory education.	Title I (ESEA)	ESAA projects often provide services for students that lose title I services when school attendance areas are modified by the implementation of a desegregation plan. Title I funds do not follow the child from one year to the next when the school in which the child attends becomes ineligible. This situation frequently occurs during the desegregation process. So, far from duplicating title I programs, ESAA ensures against the loss of services provided for educationally deprived children who are reassigned under a desegregation plan. Title I (ESEA) was enacted to fund compensatory programs in school attendance areas having high concentrations of children from low-income families. Since basic ESAA grants are not for the purpose of compensatory education they do not duplicate title I programs. ESAA pilot projects are designed to overcome the adverse effects of minority group isolation by raising the level of achievement. Activities funded under pilot projects do include compensatory education programs. However, careful application processing and onsite monotiring ensures that projects do not duplicate any title I programs.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

EMERGENCY SCHOOL AID

For carrying out title IV of the Civil Rights Act of 1964[1] *and sections 708(a), 708(b)(1), and 713 of the Emergency School Aid Act, $101,700,000, of which not more than $8,000,000 shall be for carrying out section 708(b)(1), and $750,000 for section 713.*

For carrying out title IV of the Civil Rights Act of 1964 and sections 708(a), 708(b)(1), and 713 of the Emergency School Aid Act, for the period July 1, 1976 through September 30, 1976, $226,000.

Explanation of Language Changes

1. Language has been added to reflect the fiscal year 1976 transfer of title IV of the Civil Rights Act of 1964 (Civil Rights Training and Avisory Services) into this account from the Elementary and Secondary Education account.

Language provision	Explanation
For carrying out... sections 708(a), 708(b)(1), and 713 of the Emergency School Aid Act, $101,700,000, of which not more than $6,000,000 shall be for carrying out section 708(b)(1), and $750,000 for section 713.	Under the Emergency School Aid Act (P.L. 92-318), as amended by the Education Amendments of 1974, 87 percent of the funds appropriated for purposes of the Act would be distributed on a State formula basis for support of grant awards to local educational agencies and supporting nonprofit organizations. Remaining funds would support discretionary grant awards in educational television, bilingual education, special programs and projects and evaluation. A total of $688,507,000 remains of the $1 billion authorization for fiscal years 1974-1976. Of this amount, $34,425,000 is the remaining authorization for the discretionary special programs and projects activity. In fiscal year 1976, special appropriation language is requested, which would (1) modify the distribution of funds by funding only the discretionary special programs and projects activity (section 708(a) and 708(b)(1) only) and evaluation, and (2) fund the special programs and projects activity at a level which exceeds the current authorization for this activity. Of the $ 75,000,000 requested, $ 74,250,000 is requested for section 708(a) and 708(b)(1), of which not more than $ 6,000,000 is for section 708(b)(1). These language provisions are proposed in order to allow all Emergency School Aid Act funds to be targeted on a discretionary grant basis to those local educational agencies and supporting public and private nonprofit organizations in the greatest need of desegregation assistance. Activities authorized by sections of the Act not proposed for funding in 1976 may compete for discretionary grant awards under section 708(a) or 708(b)(1).

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Emergency School Aid

Amounts Available for Obligation

	1975 Revised	1976
Appropriation	---	$101,700,000
Proposed supplemental	$75,000,000	---
Comparative transfer from:		
"Elementary and Secondary Education" for transfer of Civil Rights Training and Advisory Services	26,700,000	---
Total, obligations	101,700,000	101,700,000

Summary of Changes

1975 Revised obligations	$ 101,700,000
1976 Estimated obligations	101,700,000
Net change	---

Obligations by Activity

Page Ref.		1975 Estimate A/	1975 Revised	1976 Estimate	Net Change
	Special projects:				
	(a) Bilingual education	$ 9,958,000	---	---	---
	(b) Educational television	7,468,000	---	---	---
	(c) Special programs and projects	12,447,000	$74,250,000	$74,250,000	---
	State apportionment:				
	(a) Pilot programs	37,341,000	---	---	---
	(b) Special programs and projects	19,915,000	---	---	---
	(c) General grants to local educational agencies	146,875,000	---	---	---
	Evaluation	2,489,000	750,000	750,000	---
	Training and Advisory Services	26,700,000	26,700,000	26,700,000	---
	Total obligations	263,193,000	101,700,000	101,700,000	---

A/ Represents the Continuing Resolution funding level for 1975, as authorized by P.L. 93-448, section 101(d).

Obligations by Object

	1975 Estimate A/	1975 Revised	1976	Increase or Decrease
Other services:				
Project contracts	$ 2,489,000	$ 750,000	$ 750,000	---
Grants, subsidies, and contributions	260,704,000	100,950,000	100,950,000	---
Total obligations by object	263,193,000	101,700,000	101,700,000	---

A/ Represents the Continuing Resolution funding level for 1975, as authorized by P.L. 93-448, section 101(d).

Authorizing Legislation

Legislation	1976 Authorized B/	1976 Appropriation Requested
Emergency School Aid Act A/		
Bilingual education - Sec. 708(c)	$27,540,000	---
Educational television - Sec. 711	20,655,000	---
Special programs and projects - Sec. 708(a)	34,425,000	74,250,000
Evaluation - Sec. 713	6,885,000	750,000
Pilot programs - Sec. 706(b)	103,276,000	---
Special programs and projects - Sec. 708(b)	55,081,000	---
General grants to local educational agencies - Sec. 706(a)	440,645,000	---
Training and Advisory Services - Title IV of the Civil Rights Act of 1964	Indefinite	26,700,000

A/ P.L. 92-318, as amended by the Education Amendments of 1974.

B/ Represents the balance of a total $1 billion authorization for 1974-1976, after prior years' appropriations have been subtracted out.

Emergency School Aid

Year[A/]	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966	$ 9,300,000	$ 5,500,000	$ 6,275,000	$ 6,275,000
1967	9,650,000	6,535,000	6,535,000	6,535,000
1968	28,100,000	8,500,000	8,500,000	8,500,000
1969	13,100,000	8,500,000	10,000,000	9,250,000
1970	27,150,000	15,500,000	22,150,000	17,000,000
1971	166,200,000	16,000,000[B/]	163,900,000	88,900,000
1972	86,602,000	86,602,000	86,602,000	86,602,000
1973	487,500,000	[B/]	270,640,000	270,640,000
1974	270,640,000	263,193,000	263,193,000	263,193,000
1975	26,700,000	26,700,000	26,700,000	26,700,000
Proposed Supplemental	75,000,000	---	---	---
1976	101,700,000	---	---	---

A/ Estimates, allowances, and appropriation figures include only those activities per year as indicated below:

1966-1970 - Training and Advisory Services (Title IV - Civil Rights Act)
1971-1972 - Training and Advisory Services and Temporary Emergency School Assistance Program (ESAP)
1973 - Training and Advisory Services, ESAP, and the Emergency School Aid Act (ESAA)
1974-1976 - Training and Advisory Services and ESAA

B/ In 1971, the House Allowance provided for only Training and Advisory Services. In 1973, this request was not considered by the House.

NOTE: Amounts for 1966-1976 reflect comparability with the 1976 estimate.

Justification

Emergency School Aid

	1975 Estimate	1975 Revised	1976	Increase or Decrease
1. Special projects:				
(a) Bilingual education..	$ 9,958,000	$ ---	$ ---	---
(b) Educational television	7,468,000	---	---	---
(c) Special programs and projects..........	12,447,000	74,250,000	74,250,000	---
2. State apportionment:				
(a) Pilot programs.......	37,341,000	---	---	---
(b) Special programs and projects..........	19,915,000	---	---	---
(c) General grants to local educational agencies...........	146,875,000	---	---	---
3. Evaluation...............	2,489,000	750,000	750,000	---
4. Civil Rights Training and Advisory Services...	26,700,000	26,700,000	26,700,000	---
Total................	$263,193,000	$101,700,000	$101,700,000	---

General Statement

Federal financial assistance specifically directed toward the problems of elementary and secondary school desegregation was first made available in fiscal year 1965, under the authority of Title IV of the Civil Rights Act of 1964. During 1971 and 1972, the Emergency School Assistance Program (ESAP) was developed as a complement to Title IV to assist school districts involved in a wave of major court decisions concerning desegregation. In June, 1972, the Emergency School Aid Act (ESAA) was enacted, replacing ESAP, authorizing assistance to school districts and supporting nonprofit organizations, and including set-asides in such areas as integrated children's educational television, bilingual/bicultural education and evaluation.

In fiscal year 1974, some 1,078 ESAA projects and 2 evaluation studies were funded, with an average ESAA project award of $219,000,000. These awards served nearly 1,000,000 desegregated minority group children in nearly 700 school districts, including 65 of the nation's largest districts (enrolling over 100,000 children). Technical assistance and training awards under Title IV of the Civil Rights Act, in 1974, totaled 164, with an average award of $132,000. These projects served approximately 4,095,000 students and trained 163,800 school personnel.

The dramatic increases in new school desegregation have lessened significantly since 1971-73, when desegregation needs were prevalent in a large number of States, especially in the South. The need for emergency assistance, during the transitional period of changing from a dual to a unitary school system, has been met in a number of states; consequently, the magnitude of need is not as great. Additionally, experience with ESAA has shown that a more concentrated approach to the problems is needed.

The Emergency School Aid Act (P.L. 92-380, as amended by the Education Amendments of 1974) provides for State apportionment of 87 percent of the funds appropriated for the Act. The remainder of the funds, under the Emergency School

Aid Act, are targeted to specified discretionary activity set-asides. In 1975 and 1976, in order to allow ESAA funds to be concentrated on those local educational agencies and private and public nonprofit organizations in the greatest need of desegregation assistance, the fiscal year 1975 and 1976 ESAA budgets request funding for only Sections 708(a) (the Assistant Secretary's discretionary funding authority), 708(b)(1) (the portion of the discretionary authority authorizing grants/contracts to private and public nonprofit organizations), and 713 (authority for program evaluation) of the Act. State apportionment and discretionary activities authorized under sections of the Act not proposed for funding in fiscal years 1975 and 1976, may compete on a national basis for discretionary grant awards under Sections 708(a) and (b)(1). The elimination of both a State apportionment and activity set-asides funding approach, in favor of a discretionary project grant approach only, should provide for a more flexible and responsive program of Federal desegregation assistance--one capable of targeting available resources to those areas requiring the greatest concentration of desegregation assistance.

Therefore, in both fiscal years 1975 and 1976, $75,000,000 is requested for funding 242 grant awards under Sections 708(a), 708(b)(1), and 713 of the Emergency School Aid Act.

Program objectives for Training and Advisory Services (Title IV-Civil Rights Act of 1964) in fiscal year 1976 will stress capacity building at the State and local levels to respond to education problems occasioned by (1) desegregation, (2) unequal access to education of those national origin minority children who are not fluent in the English language, and (3) sex discrimination. To meet these objectives in 1976, a total of $26,700,000 is requested. Of this amount, $5,000,000 will be used for the support of training and advisory services for bilingual education at approximately 9 bilingual general assistance centers and through about 14 State education agency grants. Ten training Institutes will be funded to provide training services for school personnel in dealing with problems of sex discrimination. A total of 221 grant and contract awards are expected to be made, of which about 88 are expected to be new awards.

The entire Emergency School Aid appropriation, therefore, is expected to support a total of 463 Emergency School Aid Act and Training and Advisory services grant and contract awards in 1976 for a total of $101,700,000. Together these programs will serve approximately 13,085,000 students and train about 427,400 school personnel.

SUPPLEMENTAL FACT SHEET
EMERGENCY SCHOOL AID

Emergency School Aid Act (P.L. 92-318) and
Training and Advisory Services (Title IV-Civil Rights Act of 1964)
Projections for Fiscal Years 1975-1976
(In thousands)

FISCAL YEAR 1975

Activity	1975 Estimate	Total Awards (No.)	Total Awards Amt.	New Awards (No.)	New Awards Amt.	Competing Continuing (No.)	Competing Continuing Amt.	Non-Competing Continuing (No.)	Non-Competing Continuing Amt.	Average Award
Special Projects: (c) Special Programs/Projects	$ 74,250	(240)	$ 74,250	(236)	$ 73,250	(4)	$ 1,000	--	--	$309
Evaluation (ESAA)	750	(2)	750	--	--	--	--	(2)	$750	375
Training and Advisory Services (Title IV-Civil Rights Act)	26,700	(201)	26,700	(80)	9,479	(121)	17,221	--	--	133
Total	101,700	(443)	101,700	(316)	82,729	(125)	18,221	(2)	750	

FISCAL YEAR 1976

Activity	1976 Estimate	Total Awards (No.)	Total Awards Amt.	New Awards (No.)	New Awards Amt.	Competing Continuing (No.)	Competing Continuing Amt.	Non-Competing Continuing (No.)	Non-Competing Continuing Amt.	Average Award
Special Projects: (c) SpecialProjects	$ 74,250	(240)	$ 74,250	(160)	$ 47,524	(80)	$ 26,726	--	--	$309
Evaluation (ESAA)	750	(2)	750	--	--	--	--	(2)	$750	375
Training and Advisory Services (Title IV-Civil Rights Act)	26,700	(221)	26,700	(88)	9,479	(133)	17,221	--	--	121
Total	101,700	(463)	101,700	(248)	57,003	(213)	43,947	(2)	750	

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Special projects:				
(a) Bilingual education				
(a) New awards.............	---	---	---	---
(b) Non-competing continuing awards.....	---	---	---	---
(c) Competing continuing awards.................	---	---	---	---
Total...........	---	---	---	---

Narrative

Program Purpose

In order to provide for the special educational needs of minority group children who, because they are from an environment in which the dominant language is other than English, do not have equal educational opportunity, section 708(c) of the Emergency School Aid Act authorizes grants to assist local educational agencies and supporting nonprofit organizations in the development and implemention of bilingual education programs.

Specifically, these private nonprofit agencies and eligible local educational agencies are to:

- develop and implement bilingual/bicultural curricula designed to meet the special educational needs of minority group children served by this activity;
- provide instruction in language/communication skills and history/culture of cultural groups represented; and
- train teachers or ancillary education personnel involved in bilingual/bicultural activities.

Funds made available for this activity are not to be apportioned among the States but are to be used to fund quality eligible projects, based on national competition, where a need for such projects exists. Four percent of funds avilable under ESAA are reserved for this activity. Emergency School Aid Act programs are forward funded. For example, fiscal year 1974 funds were obligated for expenditure in school year 1974-75.

Plans for fiscal year 1976

No fiscal year 1976 funds are requested for this section of the Act. However, projects involving bilingual/bicultural education are eligible to compete for funding under the Special projects: Special programs and projects activity, authorized by section 708(a) of the Act.

Accomplishments for fiscal year 1974 and 1975

In fiscal year 1974, 47 bilingual projects in 15 States were funded at an average award of [illegible],000. All awards--9 new and 38 competing continuing--were grant awards to LEA's in support of bilingual/bicultural education instruction. These projects, designed to enhance mutual inter-cultural and inter-ethnic understanding, included 6 Native American projects, 4 French projects, and 37 Spanish projects. For example, the San Felipe-Del Rio Independent

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Special projects:				
(b) Educational television				
(a) New awards...............	---	---	---	---
(b) Non-competing continuing awards......	---	---	---	---
(c) Competing continuing awards.................	---	---	---	---
Total................	---	---	---	---

Narrative

Program Purpose

In order to supplement and amplify the purposes of desegregated education on a national basis, section 711 of the Emergency School Aid Act authorizes grants or contracts with not more than 10 public or private nonprofit organizations to develop and produce children's television programs incorporating integrated children's activities of cognitive and affective educational value.

Specifically, these television programs are to:

- increase the understanding/cooperation between racial and ethnic groups;
- improve the written/oral expression of secondary students;
- foster understanding/appreciation of art, literature, music of various cultures; and
- meet the special or regional needs of specific racial/ethnic groups.

All programs must be made reasonably available for free transmission under noncommercial sponsorship on a national basis.

Funds made available for this activity are not to be apportioned among the States, but are to be used to fund quality eligible projects based on national competition. Three percent of funds available under ESAA are reserved for this activity. Emergency School Aid Act programs are forward funded. For example, fiscal year 1974 funds were obligated for expenditure in school year 1974-75.

Plans for fiscal year 1976

No fiscal year 1976 funds are requested for this section of the Act. However, educational television projects are eligible to compete for funding in 1976 under the special projects: special programs and projects activity, authorized by Section 708(a) of the Act.

Accomplishments for fiscal years 1974 and 1975

Eight contract awards were made in fiscal year 1974. These were divided into two categories:

School District in Texas received a grant which enabled it to comply with the bilingual (English-Spanish) component in a court-ordered desegregation plan, and in Louisiana, English-French bilingual programs were introduced in four parishes: Evangeline, Iberia, Lafayette, and St. Landry.

In fiscal year 1975 no funds are requested under this section of the Act. However, projects involving bilingual/bicultural education are eligible to compete for assistance under the Special projects: Special programs and projects activity, authorized by section 708(a) of the Act.

- programming to serve nationwide needs (3 awards, with an average award of $1,883,000); and

- program series to meet needs unique to smaller minority groups or to special locales or regions, to be produced at a cost of no more than $250,000 (5 awards, with an average award of $248,000).

The eight contracts will result in the production of 145 programs of from 15 minutes to 1 hour in length, and will total 74 hours in all. The television programs were produced for elementary and secondary school pupils and focused on such areas as bilingual/bicultural education, mathematics, life-long skills, and the reduction of interracial tensions among students. An example of nationwide programming is the "Carrascolendas" Spanish-Anglo bilingual/bicultural series (funded in both fiscal year 1973 and 1974) which began broadcasting in the Fall of 1974. Two examples of minority groups, for which special regional programming series are being developed, are Puerto Rican children and their parents in the Northeast, and Native American children in the Pacific Northwest.

Estimated total student viewers of all programs is 4,800,000. This does not include any spillover effect for nontargeted viewers.

In fiscal year 1975 no funds are requested for this section of the Act. However, educational television projects are eligible to compete for funding under the Special projects: Special programs and projects activity, authorized by section 708(a) of the Act.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Special projects:				
(c) Special programs and projects				
(a) New awards............	---	$73,250,000	$73,250,000	---
(b) Non-competing continuing awards....	---	---	---	---
(c) Competing continuing awards..............	---	1,000,000	1,000,000	---
Total............	---	$74,250,000	$74,250,000	---

Narrative

Program Purpose

In order to make provision in the Emergency School Aid Act for Special educational programs which promise to make substantial progress towards achieving the purposes of the Act, section 708(a) sets aside 5 percent of the total appropriation to be used by the Assistant Secretary for discretionary grants and/or contract awards. Specifically, this section provides for funding of activities which are otherwise authorized by the Act, but for which specific programs do not exist. These discretionary grant activities may include nearly all of the educational functions which assist in providing for desegregated education. The activity also provides for funding of local educational agencies in U.S. jurisdictions other than States or the District of Columbia.

Funds made available for this activity are not to be apportioned among the States but are to be utilized to fund quality eligible activities where a need for such projects exists. Emergency School Aid programs are forward funded. For example, fiscal year 1974 funds were obligated for expenditure in school year 1974-75.

Plans for fiscal year 1976

To make it possible to target desegregation assistance on those school districts and supporting nonprofit organizations with the greatest desegregation needs, funds requested for the Emergency School Aid Act in fiscal year 1976 would limit Federal desegregation assistance to local educational agencies and public and private nonprofit organizations authorized under section 708(a) and 708(b)(1), the Assistant Secretary's discretionary special programs and projects activity. A total of $74,250,000 is requested for Section 708 of the Act, of which not more than $6,000,000 is to be used to fund nonprofit organizations (Section 708(b)(1)).

In previous years, the State apportionment activities (General grants to LEA's, Pilot projects, and Special programs and projects - nonprofit organizations) have provided the major basis for desegregation support under the Emergency School Aid Act. However, the Act was developed at a time when desegregation needs were prevalent in a large number of States, particularly in the South. The need for desegregation aid, during the transitional period of moving from a dual to a unitary school system, has now been met in a number of States. Therefore, the budget assumes that utilizing an approach of discretionary project grant funding rather than a combined approach of both activity setasides and state apportionment of funds to all States will better serve the objectives of providing assistance to those school districts with the greatest need of desegregation assistance.

These discretionary activities (Bilingual education, Educational television) and State apportionment activities (Pilot projects, Special programs and projects - nonprofit organizations, and General grants to LEA's), authorized under sections of the Act not proposed for funding in fiscal year 1976, may compete on a national basis for a discretionary grant award in fiscal year 1976 under Section 708(a) or 708(b)(1) of the Act. It is estimated that approximately 155 discretionary local educational agency project grants (125 basic grants to LEA's; 30 pilot project grants) will be awarded. (In fiscal year 1974, basic grants to LEA's were awarded under the State approtionment activity, Section 706(a), and pilot projects were awarded under the State appartionment activity, Section 706(b).) The average basic grant to LEA's, in fiscal year 1976, is expected to be $490,000, and the average pilot project award is expected to be $167,000. Both average award levels will parallel the funding level for similar projects in fiscal year 1975.

It is also estimated that 75 private and public nonprofit organization grants (awarded under the State apportionment, Section 708(b)(1) and (b)(2) in 1974) will be awarded on a discretionary basis in fiscal year 1976, under Section 708(b)(1) only. The average grant award to nonprofit organizations is expected to be $67,000, the same funding level for nonprofit organizations in fiscal year 1975. Finally, approximately 10 additional grant awards will be made for emergency special projects, such as Boston, and other quality desegregation projects, such as educational television awards, bilingual education awards, or awards to U.S. jurisdictions other than States or the District of Columbia. These 10 awards will average $300,000 each, the same average level as in FY 1975. Of the total 240 discretionary special programs and projects awards, approximately 80 competing continuing projects and 160 new awards will be funded.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1974, 74 awards were made for promising special programs and projects which would not otherwise qualify for assistance under the Emergency School Aid Act. Of the awards, 47 were for school-based special reading projects, 11 were special arts project grants made to 10 State Arts Commissions and 1 SEA, and 4 other special projects were designated for the Trust Territory of the Pacific Islands, Guam, Puerto Rico, and the Virgin Islands. In addition, 12 emergency special project awards (5 for short term projects; 7 full year awards) were made to school districts which adopted eligible desegregation plans too late to meet the application deadline for fiscal year 1974 ESAA assistance under Basic Grants. Over $2,000,000 was also awarded for supplementary funding of projects authorized under other sections of the Act.

The Trust Territory of the Pacific Islands award has made it possible to develop educational materials in five distinct vernacular languages. The Puerto Rico project is transposing pertinent English language curricular materials to the Spanish language and, in addition, for those students moving from the continental United States to Puerto Rico, provides educational support staff to aid these students in assimilating or re-assimilating the Spanish language and culture. The Guam project is twofold: developing a curricular program in the Chamorro language; improving English reading skills of [illegible]. The Virgin Islands project addresses the [illegible] court order of December 3, 1969, requiring enrollment of [illegible] alien children in public schools.

In fiscal year 1975, 240 discretionary special projects: special programs and projects grants are to be funded for a total of $74,250,000. These awards are to include 125 basic grants to LEA's (awarded under Section 706(a) in 1974), 75 private and public nonprofit organization awards (awarded under Section 708(b)(1) and 708(b)(2) in 1974), 30 pilot project grants to LEA's (awarded under Section 706(b) in 1974), and 10 emergency special projects grants, such as Boston, and other desegregation assistance projects (funded under Section 708(b) in 1974).

The number and average size of these fiscal year 1975 awards as compared to the number and average size of the same awards in fiscal year 1974, are:

	1975	1974	1975	1974
Basic grants to LEA's	125	570	$490,000	$276,000
Nonprofit organization awards	75	238	67,000	84,000
Pilot project grants	30	141	167,000	192,000
Special projects: special programs and projects	10	74	300,000	292,000

Of these 240 awards, about 236 awards are expected to support new projects.

	1975 Estimate	1975 Revised	1976	Increase or Decrease
State apportionment:				
(a) Pilot programs				
(a) New awards........	---	---	---	---
(b) Non-competing continuing awards....	---	---	---	---
(c) Competing continuing awards........	---	---	---	---
Total	---	---	---	---

Narrative

Program Purpose

In order to overcome the adverse effects of minority group isolation through improvement of the academic achievement of minority group children, section 706(b) of the Emergency School Aid Act authorizes grants to local educational agencies to support unusually promising and innovative programs in basic areas of reading and math. The target population of these programs are to be those children in one or more minority group isolated schools in districts which (1) enroll at least 15,000 minority group children or (2) have a minority group enrollment which is more than 50 percent of the total enrollment.

These programs should be typified by creativity, originality and replicability. Activities should address:

- classroom performance through remedial services;
- provision of additional professional staff or teacher aides; and
- development/use of new curricula/instructional methods, practices, and techniques.

This section also provides for the establishment and maintenance of one or more integrated schools, for certain pilot project grantees only.

Funds appropriated for this activity are apportioned among the States in accordance with the distribution among those States of minority group children aged 5-17. Depending upon the number of worthy applications, a State may get more or less funds than was orignially apportioned to it. Up to 15% of funds available for ESAA activities is reserved for this activity. Emergency School Aid Act projects are forward funded. For example, fiscal year 1974 funds were obligated for expenditure in school year 1974-75.

Plans for fiscal year 1976

No fiscal year 1976 funds are requested for this State apportionment section of the Act. However, pilot project activities will be eligible to apply for funding in 1976 on a discretionary grant basis under the Special projects: Special programs and projects activity, authorized by section 708(a) of the Act.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1974, 141 awards were made for Pilot projects in 28 States, with an average award of $192,000. The total number of students enrolled in the grantee districts is 5,500,000; the number of minorities is 2,200,000. Of these awards, 84 were for competing continuing awards and 57 for new awards. Activities authorized under these pilot programs were directed toward innovative methods in basic areas of reading and math, with 86% of the funds obligated supporting special remedial services (69%) curriculum development (15%) and guidance and counseling services (9%).

In fiscal year 1975, no funds are requested for this state apportionment section of the Act. However, pilot project activities are eligible to compete for discretionary grant funding under the Special projects: Special programs and projects activity, authorized by section 708(a) of the Act. In fiscal year 1975, it is expected that 30 pilot projects will be funded under the discretionary Special projects: Special programs and projects activity (section 708(a)), and that the average award will be $167,000. These projects will provide for both professional and non-professional teaching staff, curriculum development, and remedial services in the areas of math and reading.

	1975 Estimate	1975 Revised	1976	Increase or Decrease
State apportionment:				
(a) Special programs and projects				
(a) New Awards........	---	---	---	---
(b) Non-competing continuing awards....	---	---	---	---
(c) Competing continuing awards........	---	---	---	---
Total..........	---	---	---	---

Narrative

Program Purpose

In order to encourage community initiatives in providing assistance to desegregating school systems, section 708(b) of the Emergency School Aid Act authorizes grants to or contracts with nonprofit organizations to conduct special programs supportive of local educational agency efforts in developing/implementing desegregation plans, encouraging voluntary desegregation, and aiding school children in overcoming educational disadvantages of minority group isolation.

Such community group activities have served as a coordinating link between individual parents and school authorities and often led to the genuine involvement (and consequently, cooperation and support) of the public. Authorized activities for these nonprofit organizations include (a) community information programs, (b) home-focused programs, (c) cultural enrichment activities, (d) interracial social and recreational programs, (e) career orientation activities, (f) dropout prevention programs, (g) supplemental remedial services, and (h) at the request of the local education agency, assistance in developing specific plans for reducing, eliminating or preventing minority group isolation.

Funds appropriated for this activity are apportioned among the States in accordance with the distribution among those States of minority group children aged 5-17. Depending upon the number of quality applications, a State may get more or less funds than was originally apportioned to it. Eight percent of funds available under ESAA are reserved for this activity. Emergency School Aid Act programs are forward funded. For example, fiscal year 1974 funds were obligated for expenditure in school year 1974-75.

Plans for fiscal year 1976

No fiscal year 1976 funds are requested for this state apportionment section of the Act. However, private and public nonprofit organizations, authorized by Section 708(b) (1) of the Act will be eligible to apply for funding in 1976 on a discretionary project grant basis, under the Special projects: Special programs and projects activity, authorized by section 708(b)(1) of the Act.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1974, 238 nonprofit community groups in 43 States were funded with an average award of $84,000. These projects included 92 new grant awards and 146 competing continuing awards. Of the funds obligated, 67% supported supplemental remedial services (34%) dropout prevention programs (18%), and community information services (15%).

In fiscal year 1975, no funds are requested for this state apportionment section of the Act. However, both public and private nonprofit organations, authorized by section 708(b)(1), are eligible to compete for discretionary grant funding under section 708(b)(1) of the discretionary Special projects: Special programs and projects activity. It is estimated that, in fiscal year 1975, about 75 nonprofit organizations will be funded under the discretionary Special projects: Special programs and projects activity (section 708(b)(1)), and that the average award level will be $67,000. This average award will be about $17,000 lower than the average fiscal year 1974 award.

	1975 Estimate	1975 Revised	1976	Increase or Decrease
State apportionment: (c) General grants to local educational agencies				
(a) New Awards........	---	---	---	---
(b) Non-competing continuing awards....	---	---	---	---
(c) Competing continuing awards........	---	---	---	---
Total	---	---	---	---

Narrative

Program Purpose

In order to (1) meet educational needs incident to elementary and/or secondary school desegregation; (2) encourage voluntary elimination of minority group isolation in elementary and secondary schools; and (3) overcome educational disadvantages of minority group isolation, section 706(a) of the Emergency School Aid Act authorizes grants to provide financial assistance to eligible local educational agencies. Eligible local educational agencies are those which have implemented or will, if assistance is made available, adopt and implement a plan to eliminate, reduce, or prevent the isolation of minority group students in their schools.

Activities supported by basic grants include nearly all the educational functions which might be called upon to assist in the transition from schooling in minority group isolation to desegregated education, and must directly address needs related to the implementation of a plan.

Funds appropriated for this activity are apportioned among the States in accordance with the distribution among those States of minority group children aged 5-17. Depending upon the number of quality applications, a state may get more or less funds than are originally apportioned to it. Up to 64% of funds available for ESAA activities is reserved for this activity. Emergency School Aid Act programs are forward funded For example, fiscal year 1974 funds were obligated for expenditure in school year 1974-75.

Plans for fiscal year 1976

No fiscal year 1976 funds are requested for this state apportionment section of the Act. However, projects involving activities which are authorized by this section will be eligible to apply for funding in 1976 on a discretionary grant basis, under the Special projects: Special programs and projects activity, authorized by section 708(a) of the Act.

Accomplishments for fiscal year 1974 and 1975

The act stipulates that the following activities are eligible for support: (1) remedial services; (2) supplemental staff; (3) teacher aides; (4) teacher training; (5) guidance and counseling; (6) curriculum development; (7) career education; (8) interracial activities; (9) community activities; (10) support services; (11) planning; and (12) minor remodeling.

Consistent with the range of eligible activities outlined above, local educational agencies have been encouraged to focus their grant resources on basic instruction and support services. In 1974, the program's emphasis was shifted away from remedial instruction and toward improving relations among the school administrators, faculty, and students. A total of 570 school districts in 49 States received fiscal year 1974 funds for basic projects, with an average award of $276,000. These 570 awards included 166 new project awards and 404 awards for continuing projects. Over $155,000,000 were obligated for these projects, of which 85% of the funds supported special remedial services (62%), administrative and auxiliary services (9%), and staff training and curriculum development (7% each).

In fiscal year 1975, no funds are requested for this state apportionment section of the Act. However, activities authorized under General grants to LEA's (section 706 (a)) are eligible to compete for discretionary grant funding under the Special projects: Special programs and projects activity, authorized by section 708(a) of the Act. In fiscal year 1975, it is expected that 125 basic grants to LEA's will be funded under the discretionary Special projects: Special programs and projects activity (Section 708(a)), and that the average award will be $490,000. This funding level is $214,000 higher than the average 1974 award.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Evaluation (ESAA)				
(a) New awards.............	---	---	---	---
(b) Non-competing continuing awards.....	---	$750,000	$750,000	---
(c) Competing continuing awards................	---	---	---	---
Total...........	---	750,000	750,000	---

Narrative

Program Purpose

In order to evaluate specific programs and projects assisted with funds appropriated under the Emergency School Aid Act, section 713 authorizes the Assistant Secretary to make grants to, and contracts with State education

The Assistant Secretary is authorized to reserve not in excess of 1 percent of the funds appropriated for the Act for this purpose. The scope of work for evaluation awards normally exceeds a twelve month period.

Plans for fiscal year 1976

In order to determine the national impact of the Emergency School Aid Act programs in terms of the Act's objectives, a total of $750,000 is requested in fiscal year 1976 to support the final analysis of two evaluations of Basic and Pilot programs. These funds will also provide for any small scale additional data gathering, which may become necessary during fiscal year 1976, in order to further document the findings of the evaluations.

The studies cover the three school years of 1973-74, 1974-75, and 1975-76, and seek to identify/describe the needs of students in or from minority isolated schools; to document/disseminate information on successful programs; to determine the effectiveness of three forms of educational intervention--desegregation, compensatory education and their combination--as compared to no special educational intervention in minority isolated schools; and to determine the cost/effectiveness of programs and the minimum supplemental ESAA expenditures necessary to ensure some measure of program success.

Accomplishments for fiscal years 1974 and 1975

Two contract awards were continued for the second year, in fiscal year 1974, for the evaluation of Emergency School Aid Act Basic and Pilot projects. These evaluations include both annual and cumulative (3 year) analyses. In fiscal year 1974, achievement, school climate and discrimination, and reduction in minority group isolation data were collected on a nationally representative sample of approximately 85 ESAA funded school districts. These districts include [illegible] and 42 Pilot elementary schools and 54 Basic secondary schools. In [illegible] the previous and each successive year of the studies, the evaluation sample included approximately 27,000 students, 4,000 teachers, 172 principals and 85 local ESAA coordinators, district business managers and superintendents.

In fiscal year 1975, a total of $750,000 is requested to continue the two Emergency School Aid Act evaluations of Basic and Pilot projects, begun in fiscal year 1973 (school year 1973-74). These funds with cover data collection through school year 1974-1975, and analysis of those data.

SUPPLEMENTAL FACT SHEET
Emergency School Aid

Grant Award and Beneficiary Summary
Fiscal Year 1974 and Estimated Fiscal Years 1975-1976

Activity: Emergency School Aid Act programs and evaluation - P.L. 92-318

Estimated Number of Awards:	1974	1975 Estimate	1976 Estimate
1. Special projects:			
(a) Bilingual education	47	---	---
(b) Educational television	8	---	---
(c) Special programs and projects	74	240A/	240A/
2. State apportionment:			
(a) Pilot programs	141	---	---
(b) Special programs and projects (Nonprofit organizations)	238	---	---
(c) General grants to local educational agencies	570	---	---
3. Evaluation	2	2	2
Total, Emergency School Aid Act awards	1080	242	242

A/ It is expected that the 240 Special programs and projects awards, in both fiscal years 1975 and 1976, will be composed of the following types of awards:

- 125 basic desegregation LEA grants;
- 30 pilot project LEA grants;
- 75 supporting nonprofit organization grants; and
- 10 emergency special projects, such as Boston, and other quality desegregation grants.

Beneficiaries:	1974	1975 Estimate	1976 Estimate
Number of Children BenefittedA/	8,330,237	2,400,000	2,400,000
Number of Desegregating Local Educational Agencies Assisted	643	165	165
Number of Nonprofit Organizations Assisted	232	75	75

A/ Three educational television grant awards are for national television programming - benefitting children nationwide.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Training and advisory services (Civil Rights Act-Title IV)				
(a) New awards..........	$ 9,479,000	$ 9,479,000	$ 9,479,000	---
(b) Competing continuing awards..	17,221,000	17,221,000	17,221,000	---
Total..........	$26,700,000	$26,700,000	$26,700,000	---

Narrative

Program Purpose

In order to provide technical assistance in the preparation, adoption, and implementation of plans for the desegregation of public schools, and services and training for people to deal effectively with special educational problems occasioned by desegregation, this program, authorized by title IV of the Civil Rights Act of 1964 makes grant and/or contract awards to general (desegregation) assistance centers, to State educational agencies, to universities for training institutes, and to local educational agencies.

This program does not fund direct educational services for children, but provides four types of financial support, rendered only upon specific request by LEA's:

- contracts with public/private organizations - General Assistance Centers(GAC's) - to provide technical assistance and training services to LEA's in the preparation, adoption, and implementation of desegregation plans;

- contracts with State Education Agencies (SEA's) for provision of technical assistance to desegregating LEA's within their State;

- grants to institutions of higher education - Training Institutes - to provide desegregation training services for school personnel; and

- direct grants to Local Educational Agencies (LEA's) demonstrating exceptional need for desegregation assistance, for one year, full time advisory specialist service.

Grant and/or contract awards are made at the discretion of the Commissioner, based on applicants' ranking as determined by criteria specified in program regulations. Regulations specify the following division by individual activity of the total appropriation made available for funding Civil Rights advisory services:

GAC contracts	50%
SEA contracts	25%
Training Institute grants	15%
LEA grants	10%

Civil Rights training and advisory grants are forward funded. For example, fiscal year 1975 funds are obligated for expenditure in school year 1975-76.

Plans for fiscal year 1976

In order to increase the capacity of State and local educational agencies to respond to education problems occasioned by: (1) desegregation; (2) unequal access to educational opportunities of national origin minority children who are not fluent in the English language; and (3) sex discrimination, a total of $26,700,000 is requested.

In response to the need for training and advisory services related to these areas, the following grant awards are expected to be made:

- 36 General Assistance Center awards (27 desegregation GAC's; 9 bilingual education GAC's);
- 54 State education agency awards (40 desegregation, 14 bilingual education);
- 58 Institute grants (48 desegregation, 10 sex discrimination); and
- 73 direct Local educational agency grants (this represents an increase of 20 LEA grants over 1975).

These Title IV awards will total 221, with the average award expected to be $121,000. This is 20 more awards than are to be funded in fiscal year 1975, but the 1976 average award will be about $12,000 less than the average award in 1975. In 1976, approximately 427,400 school personnel will be trained, and 10,685,000 children will benefit from these activities. This is the same number of beneficiaries as in 1975.

Accomplishments for fiscal years 1974 and 1975

Title IV training and advisory services total obligations of $21,700,000 in 1974 provided support for 164 awards, distributed by activity as follows:

	Total Obligation	No. of Awards	Average Award
GAC's	$9,987,281	26	$384,000
SEA's	5,029,628	40	126,000
Institutes	4,518,928	46	98,000
LEA's	2,164,163	52	42,000

The awards were intended, primarily, to address the problems of desegregation, and, secondarily, to address needs of bilingual education technical assistance. Approximately 163,000 school personnel were trained under the GAC and Institute awards, and over 4,000,000 students will directly benefit from this training.

In fiscal year 1975, the educational problems experienced by national origin minority children who are not fluent in English were made widely known through the Lau v. Nichols Supreme Court decision. In order to help LEA's address the needs of these children, the degree to which Title IV supports bilingual education training and technical assistance services was greatly intensified. Specifically, a supplemental bilingual education appropriation of $5,000,000 was used to support 9 bilingual GAC's and 14 bilingual technical assistance SEA grants.

Secondly, for the first time, Title IV funds were used to support 10 Institutes to train school personnel on how to deal with problems of sex discrimination. This type of activity is specifically authorized by Title IX of the Education Amendments of 1972.

Therefore, in 1975, a total of 201 Title IV awards were made (36 GAC awards, 54 SEA awards, 58 Institute awards, 53 LEA awards), directed to the problems of desegregation, bilingual education needs, and sex discrimination. This is 37 more awards than were made in fiscal year 1974. The average award in fiscal year 1975 is expected to be $133,000, the same as the overall average Title IV award in 1974. Approximately 427,400 school personnel will be trained, and 10,685,000 children will benefit from these activities in fiscal year 1975.

Emergency School Aid

Program Purpose and Accomplishments

Activity: Special projects: (a) Bilingual education (Sec. 708(c), ESAA)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
---	---	$27,540,000 1/	---

1/ Represents balance of total $1 billion authorization for 1974-1976, after prior years' appropriations have been substracted out.

Purpose: To assist local educational agencies and supporting organizations in meeting the needs of minority group children who, because they are from an environment in which the dominant language is other than English, do not have equality of educational opportunity.

Explanation: The amounts appropriated for this activity are to be used to make grants to private nonprofit agencies and eligible local educational agencies to develop and implement curricula designed to meet the special educational needs of minority group children served by this activity. Up to 4% of the funds appropriated for ESAA may be used to fund activities under this section of the Act. This amount is not to be apportioned among the States, but is to be utilized to fund quality eligible activities where they occur.

Objectives for fiscal years 1975 and 1976: No fiscal year 1975 or 1976 funds are requested under this section of the Act. However, projects involving bilingual education may compete for assistance under the Special projects: Special programs and projects activity, authorized by section 708(a) of the Act.

SUPPLEMENTAL FACT SHEET
Emergency School Aid

Grant Award and Beneficiary Summary
Fiscal Year 1974 and Estimated Fiscal Years 1975-1976

Activity: Training and Advisory Services - (Title IV - Civil Rights Act)

Estimated Number of Awards:	1974	1975 Estimate	1976 Estimate
(a) General Assistance Centers -			
Desegregation GAC's	26	27	27
Bilingual GAC's	---	9	9
(b) State Education Agencies -			
Desegregation Assistance	40	40	40
Bilingual Assistance	---	14	14
(c) Training Institutions -			
Desegregation Institutes	46	48	48
Sex Discrimination Institutes	---	10	10
(d) Local Education Agencies	52	53	73
Total, Training and Advisory Awards	164	201	221
Beneficiaries:			
LEA's Served[A/]			
(a) Desegregation GAC's	1,500	1,600	1,600
Bilingual GAC's	---	2,500	2,500
(b) SEA's - Desegregation Assistance	1,460	2,000	2,000
SEA's - Bilingual Assistance	---	700	700
(c) Desegregation Institutes	460	480	480
Sex Discrimination Institutes	---	100	100
(d) Local Education Agencies	52	53	73
School Personnel Trained[B/]	163,800	427,400	427,400
Students Served[C/]	4,095,000	10,685,000	10,685,000

[A/] Estimates for LEA's served can be determined accurately by individual Title IV activities only--i.e., LEA's served by GAC's, by Institutes, by SEA's, by direct LEA grant. Many LEA's receive services from more than one activity; therefore, any total estimate would be inflated.

[B/] An estimated 100 school personnel are trained at each LEA receiving GAC training services; an estimated 30 personnel are trained at each LEA participating in an Institute training program.

[C/] Student beneficiaries are calculated only for those students expected to receive instruction from school personnel trained in CRA--Title IV activities. Assumption: 25 student beneficiaries per trainee.

OFFICE OF EDUCATION

Emergency School Aid

Program Purpose and Accomplishments

Activity: Special Projects: (b) Educational television (Sec. 711, ESAA)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
---	---	$20,655,000 1/	---

1/ Represents balance of total $1 billion authorization for 1974-1976, after prior years' appropriations have been substracted out.

Purpose: To fund not more than 10 public or nonprofit private organizations to develop and produce children's television programs incorporating integrated children's activities of cognitive and affective educational value.

Explanation: The amounts appropriated for this activity are to be used to make grants to or contracts with not more than 10 public or private nonprofit agencies with expertise in the development of television programming to carry out the purpose of this activity. Programs developed shall be made reasonably available for free transmission under noncommercial sponsorship on a national basis. Educational television funds are not to be apportioned to the States, but are to be used to fund quality eligible projects based on national competition. Three percent of the funds available under the Act are reserved for this activity.

Objectives for 1975 and 1976: No fiscal year 1975 and 1976 funds are requested under this section of the Act. However, projects involving education television may compete for assistance under the Special projects. Special programs and projects activity, authorized by section 708(a) of the Act.

OFFICE OF EDUCATION

Emergency School Aid

Program Purpose and Accomplishments

Activity: Special projects: (c) Special programs and projects
(Sec. 708(a), ESAA)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
---	$74,250,000	$34,425,000 1/	$74,250,000 2/

1/ Represents balance of total $1 billion authorization for 1974-1976, after prior years' appropriations have been substracted out.

2/ 1976 Budget estimate is larger than the 1976 activity authorization, since the authorization represents the funds authorized for this activity only, based on a 5% limitation, while the budget estimate proposes that all 1976 ESAA funds be appropriated to this activity and evaluation only.

Purpose: To assist loacl educational agencies and supporting public organizations in conducting activities which (1) are otherwise authorized by the Emergency School Aid Act, but for which specific programs do not exist, and (2) promise to make substantial progress towards achieving the purposes of the Act.

Explanation: The Assistant Secretary is authorized to make grants to any public agency for a program which he determines will make substantial progress toward achieving the purposes of the Act. These amounts are not to be apportioned among the States but are to be utilized to fund quality eligible activities wherever they may occur. Up to 5% of the funds appropriated for ESAA may be used to fund activities under this section of the Act.

Objectives for 1975 and 1976: In order to make it possible to target desegregation assistance on those school districts and supporting nonprofit organizations with the greatest desegregation needs, funds requested for the Emergency School Aid Act in fiscal years 1975 and 1976 would limit Federal desegregation assistance to local educational agencies and public and private nonprofit organizations, authorized under section 708(a) and 708(b)(1), the Assistant Secretary's discretionary special programs and projects activity. A total of $74,250,000 is requested for section 708 of the Act, of which not more than $6,000,000 is to be used to fund nonprofit organizations (section 708(b)(1)).

Activities authorized by sections of the Act for which no funds are requested in 1975 or 1976, may compete on a national basis for a discretionary grant award in each fiscal year under the Special projects: Special programs and projects activity, section 708(a) or 708(b)(1) of the Act.

It is estimated that approximately 155 discretionary basic and pilot grants to local educational agencies (awarded under the state apportionment sections 706(a) and 706(b) in fiscal year 1974) will be awarded in fiscal year 1975 and 1976. It is also estimated that approximately 75 private and public nonprofit organization grants (awarded under the state apportionment section 708(b)(1) and (b)(2) in 1974) will be awarded on a discretionary basis in fiscal year 1975 and 1976, under section 708(b)(1) only. Ten additional grant awards will be made for emergency special projects, such as Boston, and other quality desegregation projects in each fiscal year.

OFFICE OF EDUCATION

Emergency School Aid

Program Purpose and Accomplishments

Activity: State apportionment: (a) Pilot Programs
(Sec. 706(b), ESAA)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
---	---	$103,276,000[1]	---

---

[1] Represents balance of total $1 billion authorization for 1974-1976, after prior years' appropriations have been subtracted out.

Purpose: To support promising programs to overcome the adverse effects of minority group isolation by improving the academic achievement of children in one or more minority group isolated schools in districts which (1) enroll at least 15,000 minority group children or (2) have a minority group enrollment which is more than 50 percent of the total enrollment.

Explanation: Grants are awarded to local educational agencies for the above purposes. The amounts appropriated are apportioned among the States in accordance with the distribution among those States of minority group children aged 5-17. Depending upon the number of quality applications, a State may get more or less funds than are originally apportioned to it. Up to 15 percent of the funds appropriated for ESAA may be used for funding activities under this section of the Act.

Objectives for fiscal years 1975 and 1976: No fiscal year 1975 or 1976 funds are requested under this section of the Act. However, pilot project activities may compete for assistance under the Special Programs and Projects activity, authorized by Section 708(a) of the Act. It is expected that 30 pilot projects will be funded in each fiscal year, 1975 and 1976, under the Special projects: Special programs and projects activity, Section 708(a) of the act.

OFFICE OF EDUCATION

Emergency School Aid

Program Purpose and Accomplishments

Activity: State apportionment: (b) Special programs and projects (Sec. 708(b), ESAA)

		1976	
1975 Estimate	1975 Revised	Authorization	Budget Estimate
---	---	\$55,081,000[1]	---

[1] Represents balance of total \$1 billion authorization for 1974-1976, after prior years' appropriations have been subtracted out.

Purpose: To assist nonprofit organizations in conducting special programs which support local educational agency efforts to develop or implement a plan to meet special problems incident to desegregation, to encourage voluntary integration, or to aid school children in overcoming the educational disadvantages of minority group isolation.

Explanation: To carry out the purposes of this section, assistance is made by grant to public or private nonprofit agencies other than local education agencies. The amounts appropriated for carrying out this activity are to be apportioned among States based on the number of minority group children aged 5-17 in the State. Depending upon the number of quality applicatons, a State may get more or less funds than are originally apportioned to it. Up to 8 percent of the funds appropriated to ESAA may be used for funding activities under this section of the Act.

Objectives for fiscal years 1975 and 1976: No fiscal year 1975 or 1976 funds are requested for this State apportionment activity. However, private and public nonprofit organizations authorized by Section 708(b)(1) of the Act will be eligible to apply for funding on a discretionary project grant basis, under Section 708(b)(1) of the Act. It is expected that 75 nonprofit organizations will be funded in each fiscal year, 1975 and 1976, under the Special projects: Special programs and projects activity, Section 708(b)(1) of the Act.

OFFICE OF EDUCATION

Emergency School Aid

Program Purpose and Accomplishments

Activity: State apportionment: (c) General Grants to local educational agencies (Sec. 706(a), ESAA)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
---	---	$440,645,000[1]	---

[1] Represents balance of total $1 billion authorized for 1974-1976, after prior years' appropriations have been subtracted out.

Purpose: To provide financial assistance to eligible local educational agencies to: (1) meet educational needs incident to elementary and/or secondary school desegregation, (2) encourage voluntary elimination of minority group isolation in elementary and secondary schools, and (3) overcome educational disadvantages of minority group isolation.

Eligible local educational agencies are those which have implemented or will, if assistance is made available, adopt and implement a plan to eliminate, reduce, or prevent the isolation of minority group students in their schools.

Explanation: Grants may be awarded to local educational agencies for the above purposes. Funds appropriated for this activity are to be apportioned among the States in accordance with the distribution among those States of minority group children aged 5-17. Depending upon the number of quality applications, a State may get more or less funds than are originally apportioned to it. Up to 64 percent of the funds appropriated for ESAA may be used for funding activities under this section of the Act.

Objectives for fiscal years 1975 and 1976: No fiscal year 1975 or 1976 funds are requested under this section of the Act. However, projects involving activities which are authorized by this section may compete for assistance under the Special programs and project activity, authorized by Section 708(a) of the Act. It is expected that 125 basic grants to LEA's will be funded in each fiscal year, 1975 and 1976, under the Special projects: Special programs and projects activity, Section 708(a) of the Act.

OFFICE OF EDUCATION

Emergency School Aid

Program Purpose and Accomplishments

Activity: Evaluation (ESAA)
(Sec. 713, ESAA)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
—	$750,000	$6,885,000 1/	$750,000

1/ Represents balance of total $1 billion authorization for 1974-1976, after prior years' appropriations have been subatracted out.

Purpose: To make grants to, and contracts with, State education agencies, institutions of higher education, and private organizations to evaluate specific programs and projects assisted with funds appropriated under the Emergency School Aid Act.

Explanation: The Assistant Secretary is authorized to reserve not in excess of 1 percent of the funds appropriated for the Act for this purpose. The scope of work for evaluation awards normally exceeds a twelve month period.

Accomplishments in 1975: In 1975, two Emergency School Aid Act evaluations of Basic and Pilot projects, begun in fiscal year 1973 (school year 1973-74) will be continued. This will be the third school year during which data will be collected and analyzed to determine the short and long term national impact of the program in terms of the Act's objectives.

Objectives for 1976: In order to support the final analysis of two evaluation studies of Basic and Pilot programs, a total of $750,000 is requested for fiscal year 1976. These studies include 75 Basic and 42 Pilot elementary schools, and 54 Basic secondary schools located in 85 funded districts. The evaluation sample includes approximately 27,000 students, 4,000 teachers, 172 principals and 85 local ESAA coordinators, district business managers and superintendents.

OFFICE OF EDUCATION

Emergency School Aid

Program Purpose and Accomplishments

Activity: Civil rights advisory services (Civil Rights Act of 1964, Title IV)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
---	---	Indefinite	$26,700,000

Purpose: To render technical assistance in the preparation, adoption, and implementation of the plans for the desegregation of public schools, and to provide services and training for people to deal effectively with special educational problems occasioned by desegregation.

Explanation: To carry out the purpose of this activity, project awards are made on a competitive basis to general (desegregation) assistance centers, to State educational agencies, to universities for training institutes, and to local educational agencies for technical assistance and training.

Accomplishments in 1975: About 201 projects (including 121 continuations) are projected to be funded at an average award of $133,000. These projects will include 29 awards for bilingual education technical assistance and training services, and 10 for training of school personnel in dealing with problems of sex discrimination. An estimated 427,000 school personnel will be trained and 10,685,000 students will benefit from these activities.

Objectives for 1976: In order to continue to train personnel and provide technical assistance on problems occasioned by desegregation, bilingual education, and sex discrimination, $26,700,000 is requested in fiscal year 1976. An estimated 221 projects - including about 133 continuations - will be funded. This represents an increase of 20 projects over fiscal year 1975. Beneficiaries are expected to be the same as in 1975--427,000 school personnel trained, 10,685,000 children served.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Emergency School Aid

Amounts Available for Obligation

	Estimate	Estimate July-Sept. 30, 1976
Appropriation	$26,700,000	$325,000
Total, obligations	26,700,000	325,000

Obligations by Activity

Page Ref.		FY 1976 Estimate	Estimate July-Sept. 30, 1976
	Training and Advisory Services (Title IV - Civil Rights Act)......................	$26,700,000	$325,000
	Total, obligations	26,700,000	325,000
	Sub-Activity:		
	(a) Technical Assistance:		
	State Education Agencies.....	$ 6,075,000	$ 50,000
	General Assistance Centers...	15,200,000	
	(b) Training Institutes............	3,255,000	100,000
	(c) School Board Grants............	2,170,000	75,000
	Total, obligations	26,700,000	325,000

Obligations by Object

	FY 1976 Estimate	Estimate July-Sept. 30, 1976
Grants, subsidies, and contributions................	$26,700,000	$325,000
Total obligations by object	26,700,000	325,000

	1976 Estimate	Estimate July-Sept. 30, 1976
Training and Advisory Services (Title IV - Civil Rights Act):	$26,700,000	$325,000
(a) Technical Assistance..............	21,275,000	150,000
(b) Training Institutes...............	3,255,000	100,000
(c) School Board Grants...............	2,170,000	75,000

Justification for Transition Period

Program Purpose

In order to provide technical assistance in the preparation, adoption, and implementation of plans for the desegregation of public schools, and services and training for people to deal effectively with special educational problems occasioned by desegregation, this program, authorized by title IV of the Civil Rights Act of 1964, makes grant and/or contract awards to general (desegregation) assistance centers, to State educational agencies, to universities for training institutes, and to local educational agencies.

Plans for Interim Period - July 1, 1976 through September 30, 1976

A total of $325,000 is requested for Training and Advisory Services (Title IV - Civil Rights Act) for the interim budget period. These funds are requested for support of the following training and advisory sub-activities, for the reasons stated below:

(a) Technical Assistance $150,000

An estimate of $150,000 is requested to fund technical assistance programs under this activity -- General Assistance Centers (GACs) and State Education Agencies (SEAs). The total amount is broken out as indicated below:

GACs	$100,000
SEAs	50,000

This amount is less than 1% of the proposed funding at the FY 1976 budget estimate level of $21,275,000. The minimal request of $150,000 is being made to cover necessary emergency needs which may occur during the interim budget period. This is a forward funded program and awards are not normally made during this period of time.

(b) Training Institutes $100,000

An estimated $100,000 is requested to fund training Institute programs under this activity, which is about 3% of the proposed funding at the FY 1976 budget estimate level of $3,255,000. Only a minimal amount has been requested for the interim budget period to cover any needs of an emergency nature which may occur. This is a forward funded program and awards are not normally made during this period of time.

(c) School Board Grants $75,000

An estimated $75,000 is requested to fund State education agency programs under this activity, which is less than 4% of the proposed funding at the FY 1976 budget estimate level of $2,170,000. Only a minimal amount for the period July 1 through September 30, 1976 has been requested to cover any needs of an emergency nature which may occur. This is a forward funded program and awards are not normally made during this period of time.

Tuesday, March, 1975.

EDUCATION FOR THE HANDICAPPED

WITNESSES

DR. EDWIN W. MARTIN, ACTING DEPUTY COMMISSIONER, BUREAU OF EDUCATION FOR THE HANDICAPPED

DR. T. H. BELL, COMMISSIONER OF EDUCATION

ROBERT B. HERMAN, ACTING ASSOCIATE DEPUTY COMMISSIONER, BUREAU OF EDUCATION FOR THE HANDICAPPED

DR. HERMAN L. SAETTLER, BRANCH CHIEF, DIVISION OF PERSONNEL PREPARATION, BUREAU OF EDUCATION FOR THE HANDICAPPED

DR. MAX W. MUELLER, RESEARCH COORDINATOR, DIVISION OF INNOVATION AND DEVELOPMENT, BUREAU OF EDUCATION FOR THE HANDICAPPED

DR. PAUL R. ACKERMAN, JR., CHIEF, PROGRAM DEVELOPMENT BRANCH, DIVISION OF INNOVATION AND DEVELOPMENT, BUREAU OF EDUCATION FOR THE HANDICAPPED

CORA P. BEEBE, ACTING DIRECTOR, BUDGET DIVISION, OFFICE OF EDUCATION

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. Flood. Now we have one that may take a little time—education for the handicapped. This is certainly a pretty involved subject.

The presentation will be made by Dr. Edwin W. Martin, Acting Deputy Commissioner, Bureau of Education for the Handicapped.

As you know, we have a very high regard for you, Dr. Martin, in this extremely difficult assignment you have. We know Dr. Bell is here.

Dr. Martin. This is Mr. Herman, my deputy; Dr. Mueller, research program; Dr. Ackerman of our early childhood program, and other innovative programs; and Dr. Saettler who is nearby or who will be here in a moment, who is in charge of our training program.

Mr. Flood. All right, we will place your biographical sketch in the record, Dr. Martin.

[The biographical sketch follows:]

Name: Edwin W. Martin, Jr.

Position: Deputy Commissioner of Education for the Handicapped.

Birthplace and date: Oceanside, N.Y., September 3, 1931.

Education: Muhlenberg College, Allentown, Pa., 1949–53, B.A.; University of Alabama, University, Ala., 1953–55, M.A.; University of Pittsburgh, Pittsburg, Pa., 1957–61, doctor of philosophy, specialization in speech and hearing disorders and psychology.

Experience:

Present: Deputy commissioner of education for the handicapped.

1969–74: Associate Commissioner, Bureau of Education for the Handicapped.

1967–69: Deputy Associate Commissioner, Bureau of Education for the Handicapped.

1966–67: Director, ad hoc Subcommittee on the Handicapped, U.S. House of Representatives, Washington, D.C.

1960–66: Assistant professor; associate professor of speech, University of Alabama; associate professor of speech pathology, University of Alabama Medical School; codirector, speech and hearing clinic, University of Alabama, University, Ala.

Association memberships: American Speech and Hearing Association; American Psychological Association; Council for Exceptional Children.

Recent publications:

"Some Thoughts on Mainstreaming," in "*Mainstream Currents*", Grace Warfield, Editor, Council for Exceptional Children, Reston, Va., 1974.

"Administration of Special Education in the Soviet Union", "Windows on Russia"—a report of the U.S./U.S.S.R. Seminar on Instruction of Handicapped Children U.S. Government, 1974 with Blodgett, et al.

"Speech and Language Development," "Windows on Russia," U.S. Government, 1974, with Jack Matthews.

"Breakthrough for the Handicapped: Legislative History," "Exceptional Children": Educational Resources and Perspectives"; Samuel A. Kirk and Francis E. Lord, Editors, Houghton Mifflin, Boston, 1974.

"The Right to Learn", "Learning Disabilities" selected ACLD Papers; Samuel A. Kirk and Jeanne M. McCarthy, editors, Houghton Mifflin, Boston, 1975.

"Public Policy and Early Childhood Education: A Buddhist Garden", "Implementing Child Development Programs", Education Commission of the States (in press).

PREPARED STATEMENT

Mr. FLOOD. You have a prepared statement. What do you want to do with it?

Dr. MARTIN. I would be pleased to submit it or read it, whichever is your preference.

Mr. FLOOD. We have read your statement. Suppose we just submit it for the record.

[The statement follows:]

Mr. Chairman and members of the committee, we appreciate the opportunity to present the fiscal year 1976 budget request for education of handicapped children.

For several years we have presented this request to the committee as one important part of a national drive to establish education for handicapped children as a fundamental right under our system of Government. The Nation is making good progress toward that goal.

This year we estimate almost 3.75 million children of school age will be enrolled in special education programs, 62 percent of the total need. While for the 38 percent unserved children the delay in receiving services is intolerable, the total served has doubled since the days in the middle 1960's when Federal efforts began in earnest.

While this growth in services has been primarily a State and local effort reaffirmed by new State laws and ordered by increasing numbers of courts, reports from every State credit Federal efforts with providing a national focus of attention on this program and supplying resources for growth; funds to support new models of services; to train teachers; to provide new materials for the deaf and blind which allow learning to proceed despite sensory deficits; to begin needed programs where State law did not provide support, particularly for severely handicapped children such as the deaf-blind, and for developing preventative programs for very young children.

In 1974, Congress passed legislation requiring the States to assure education for all handicapped children and making illegal all forms of discrimination against handicapped persons. The funds in this budget request will assist more than 250,000 children to receive educational programing through grants to the States; will provide educational and cultural materials to more than 250,000 deaf adults and children; will assure education for 3,600 deaf-blind children; will support 243 early childhood education programs ultimately benefiting about 100,000 children and stimulating greater State and local efforts; and will help train approximately 75,000 teachers through full- or part-time study. As the benefits of these programs spread throughout the educational system, more than 1 million children will benefit from these catalytic efforts.

Now, let me turn to a program-by-program analysis of our budget request:

STATE GRANT

In the State grant program, we are requesting $50 million which is the same as the level requested in the previous year's budget. Public Law 93-380 has imposed new requirements on State education agencies to assure service to handicapped children. Steps will be taken to assure that States are implementing plans to guarantee that every handicapped child be afforded an equal opportunity for an appropriate education.

Funds for grants to the States primarily represent support for direct educational services, a role we feel is a State and local responsibility. Rationale for the Federal role at this time is as a stimulus for State and local action through the development of resources such as trained personnel, new curricula and materials, support for model projects, and the like. While we are not asking for basic support for State programs, we are asking for a $25,391,000 increase to help us expand our support efforts for State growth and development.

DEAF-BLIND CENTERS

To support the deaf-blind centers program we are requesting $16 million which will maintain and improve diagnostic, prescriptive, and full-time educational services to more than 3,600 deaf-blind children in the United States.

The $4 million increase in funds will provide for increased numbers of children moving to full-time educational services. It will also permit expanded efforts in the area of prevocational training for many of these children who were affected in the 1963-65 Rubella epidemic.

SEVERELY HANDICAPPED PROGRAM

The $3,250,000 requested for the severely handicapped program establishes a national priority for this target population and will help demonstrate long-term benefits of providing services to these children. As a result of this Federal effort we expect to see increased access to, participation in, and expansion of specialized programs for severely handicapped children at the State and local levels.

EARLY CHILDHOOD EDUCATION

We are requesting $22 million to continue the early childhood education program which aims at stimulating State services at the estimated 1 million preschool aged handicapped children. This $22 million, an increase of $8 million over last year's level, will support 187 demonstration and 56 outreach projects directly impacting on 59,000 children. This program will be operated in close coordination with State public and private agencies. Priority plans will be developed on an individual State basis with projects being funded under specific criteria according to the greatest needs identified by the individual States.

SPECIFIC LEARNING DISABILITIES

In the specific learning disabilities program we are requesting $4,250,000, an increase of $1 million, to support 35 child service demonstration centers having direct impact on 34,500 children. The centers will continue efforts to stimulate, develop, and expand diagnostic, prescriptive, and evaluative services for children with specific learning disabilities.

REGIONAL EDUCATION

A request for $2 million is being made to support the regional education program; this is an increase of $1,425,000 over the amount appropriated in 1975. Newly enacted under Public Law 93-380, this program continues, expands, and modifies postsecondary and vocational programs to provide for the participation of handicapped persons.

RESEARCH AND DEMONSTRATION

The $11 million requested for research and demonstration, an increase of over $1 million, will support applied research, demonstration, and dissemination activities in the critical areas of early childhood, career education, personnel development, and education of the severely handicapped.

MEDIA SERVICES AND CAPTIONED FILMS

An increase of $3 million is requested for the media services and captioned films program. With the total of $16 million we will support efforts, through the Area

Learning Resource Centers and the National Center on Educational Media and Materials, to develop specialized learning and media materials needed by classroom teachers. In addition, support will be given for the marketing and implementation of already developed curricula, technological advances, and materials.

REGIONAL RESOURCE CENTERS

The $9,750,000 requested for the regional resource center program will be used to continue development of child appraisal and exemplary educational programing practices to meet the specialized educational needs of handicapped children. Additionally, this program will foster the development of direction centers which will assist parents and professionals in the identification, screening, evaluations, and prescription of appropriate educational programs for the handicapped.

RECRUITMENT AND INFORMATION

The increase of $500,000 in the recruitment and information program for a total of $1,000,000, will be devoted to the development of coordinated information and referral centers at the State and/or local level which will assist parents in locating appropriate professional assistance and programs to meet the educational and related needs of their handicapped children.

SPECIAL EDUCATION MANPOWER DEVELOPMENT

We are requesting $39,750,000, an increase of over $2 million for the special education manpower development program to support universities and State education agencies in training special education personnel, teachers, and students.

Now, I would be pleased to answer any questions you may have.

PROGRAM DUPLICATION

Mr. FLOOD. You know very well that this subcommittee has always been a pretty strong supporter of these programs for the handicapped.

Occasionally we have the impression now that there may be overlap or duplication among the various Federal programs for the handicapped. For example, in this budget you talk about the Head Start program. Then in another part you refer to the severely disabled, which is an area in which the rehabilitation service administration is concerned.

What are some of the things that you do to avoid duplication among all of these programs for the handicapped?

Dr. MARTIN. Actually I think that that is a realistic concern, and anyone who has watched programs operate, whether they are local or Federal programs, can rightfully be concerned about that.

In this area, however, it is not a problem which I think is detrimental to the youngsters.

PRESCHOOL PROGRAMS

For example, let me take the two examples you used. Head Start has a program which serves roughly 350,000 to 380,000 young children in the United States. Under the law the Congress asked them to enroll 10 percent of their youngsters who would be handicapped, so at the most that would be 38,000 youngsters who would be handicapped.

Now there are about 1 million preschool age handicapped youngsters in the country. Our efforts are designed to encourage the States to provide universal preschool education for all of the handicapped children. For example, in your own State, in Pennsylvania, there are some preschool programs for nonhandicapped children, kindergartens, and others. When the State court, when the Federal district court in fact, solved the case between the parents of retarded children and the State of Pennsylvania by having a consent decree agreed to, one of the features of that was that if the State was going to provide preschool services for any child, they had to provide them for all the children, that is, the handicapped.

What we have done, Mr. Chairman, is this: We relate very closely with Head Start in a number of ways, first of all, to help them give the services to their 38,000 children that they are serving, and to know more about that.

For example, our model projects last year actually worked with the Head Start people to provide about 20,000 of those children with some specialized advice or consultation or attention through working with the Head Start staffs. This year we expect that we will be able to help Head Start through consultation and advice with about 34,000, almost their total population.

In addition, our model projects provided at least some training to 4,000 Head Start workers. Let's see what is happening now. Here is Head Start then with the new congressional mandate. Congress says "We want you to enroll handicapped children." They say "Gee, we are not so sure how to do that. We have been working with nonhandicapped children. How can you help us to know how to do this, Dr. Martin?"

What we have done is asked our model projects, and also our teacher training institutions, to work with the Head Start staff, to give them advice, consultation, to look at children, to advise them on what would be an effective program or, in some instances, even to have those children receive some partial services.

We are going to be serving, in all, about 14,000 children in our model projects. Head Start will be serving about 38,000 such children. There will be another 45,000 children who are served in projects that were encouraged by the Federal Government but not directly funded. The total population will still be much less than the million children that need the services. We are still talking here about 250,000 children, so the problem of overlap and duplication is not a real one in that area. None of the children are enrolled, for example, in both programs. Programs are not competing with each other and, in fact, this is one of the best examples of Federal cooperation.

HEAD START MODEL PROJECTS

For example, our model project in North Carolina will provide training and technical assistance for all of the Head Start programs in that region of the country, in that HEW region. Our project in Ohio will provide training and technical assistance for all of the Head Start projects in that region of the country. Our project in Vermont does the same, and so forth, so that there is a very good working relationship.

In the rehabilitation area the problem is also not, in this case, a real one, because the rehabilitation law restricts services to youngsters who are 16 and above. Most of our services are for elementary schoolchildren and preschool services.

There is a need for coordination in these areas where you do have 16-year-old children who are still in school, where you have, in other words, senior high school age handicapped children. What we are trying to do, and what our management of our grant program is encouraging, is for the State to develop really three-way coordinated plans between the special education people and the vocational education people who are in the education area, and the vocational rehabilitation people.

For example, if a school district were to come to us now and say, "We want to start a work-study program for mildly retarded high school students, what should we do?"

Well, the first thing we would want them to do would be to involve the rehabilitation counselor and the vocational educational people in joint planning. There are a number of those joint planning exercises going on. To encourage that, we have both had conferences, given model project grants, and so forth.

Another example of that is reflected in this budget. We are asking you for some funds, actually which were provided last year for the first time, for regional education programs for deaf and other handicapped people. Those programs were the result of joint research projects by the vocational rehabilitation persons and ourselves. That agency and our agency have jointly funded model projects for several years. As they have been proven successful, the Congress has now authorized that kind of a program on a continuing basis.

Mr. FLOOD. You are on top of this question of duplication?

Dr. MARTIN. Yes.

Mr. FLOOD. It always happens in a program like this.

Dr. MARTIN. The problem in this area, Mr. Chairman, is gaps, not duplication. The problem is that after we put all the Federal programs together and all the State programs, there aren't enough services to go around.

It is not a question of agencies competing for services. However, there is always that risk and it is something for us to attend to.

GAO STUDY

Mr. FLOOD. This budget has a pretty large increase in here for research, training, and for other discretionary programs.

Dr. MARTIN. Model programs.

Mr. FLOOD. Discretionary programs administered by your office. The recent GAO report on the educational programs for the handicapped indicates that these funds are sometimes allocated without adequate knowledge about the specific grants.

That is an indictment, and also that your allocations favor the States which already have programs, rather than the number of States that are trying to initiate them, in many cases urged by you people.

That is in the GAO report. Do you agree with the findings, and if you agree what are you doing about it?

Dr. MARTIN. No. Although there are many valuable observations in the GAO report, we have found that the problem with some parts of that particular GAO study was that it confused apples with oranges.

First of all, it covered three separate Federal programs, the vocational rehab program, the vocational education program and the educational aid for the handicapped programs, and it did not always make clear which program it was talking about when it made such generalizations.

In my opinion it also confused, Mr. Flood, the State grant programs with the discretionary programs. The comments you just read really relate to the State grant program, not to the discretionary programs.

What the GAO is saying, and I think they are partly accurate in this, is that States have followed different patterns for distributing their money. Some States have distributed some to each county, for example, and allowed those counties to use the funds as they saw fit.

The GAO saw that as not necessarily targeting those funds on the highest priority needs in the State, not saying, "We have got some real needs here" and perhaps all the needs are in one corner of the State or in one county and that is where the money should be spent.

Another problem the GAO points out which you mention there, which is an appropriate one, I think, but which is not something we can control, is that the moneys go to the States by formula, and so they go to the States in proportion to the numbers of children who live in those States.

What the GAO was saying, and what the recommendation really is, is that the Congress may want to consider a different funding formula, which would somehow take into account need, so States where there was a greater need might receive more funds.

DISCRETIONARY PROGRAM MANAGEMENT

In the management of our discretionary programs, we do, in fact, try to do that, although we also try to distribute the funds equitably. But we have, for example, made a special priority to help States where there were, for example, people in rural areas, in the Appalachian region or other sparsely populated regions where there was a lack of services. We will focus more dollars of our discretionary programs on those areas than on the average area, but at the same time try to make sure that no State is overlooked.

The best example of that is our early childhood program. We have grants in every State, but we have specifically given a priority for inner-city areas where services were poor, and rural areas where services were poor, because of the dispersion of such services.

I think the answer to that is that we are working with the States to improve how they distribute the dollars which the Congress has given them. We have urged and have had workshops in the development of better priorities for the distribution of State funds.

RESPONSE TO GAO CRITICISMS

Mr. Patten. Mr. Chairman?

Mr. Flood. Yes.

Mr. Patten. Within the house it would strike me that you would deal directly with GAO, and let them modify their report where they will agree with you, so that we know the end result. I don't think we should fight it out in this committee.

I think between you and GAO, whatever is fair and reasonable should be done.

Does that sound reasonable?

Dr. **Martin.** Yes, sir. We have written back to the GAO and they have in fact made a number of changes in their report and we have continuing correspondence on it. In part we will be, as I was just saying, trying to improve the way the States choose what projects to develop, but I think where we did differ from the GAO in our final correspondence with them was that we did not feel the Federal Government had the authority to go beyond what the Congress had authorized in telling the States how to distribute their Federal funds, whether it was right or wrong.

STATE REQUIRED TO EDUCATE THE HANDICAPPED

Mr. **Flood.** Do you remember the new law that was enacted last year, which imposed new and additional responsibilities on the States for educating the handicapped children? There is a requirement there that States must establish goals for providing full educational opportunities for all handicapped children. There it is.

Are the States, under all the circumstances, ready for all of these new requirements? There are quite a lot of them.

What are you doing to help them?

Dr. **Martin.** That is a good question. The first part of it is no, they are not ready to do that, not universally anyhow. Some States are either under court order or State mandatory law and faced with doing this, Mr. Flood, very quickly. Some States already have such laws on the books. Others have some that will be due in 1976, 1977, or 1978.

In working with the States, we basically are asking them to do two things: One is to make a commitment to educating all handicapped children. The second is to set a time line for that commitment.

The Congress did not establish a date for when all of the services to all handicapped children had to be in effect. It said to the State: "You set a goal. Set a time line. Estimate the numbers of people you will need. Estimate the numbers of children who will be served. Estimate the numbers of dollars it will take."

We are working with the States and we will get our first draft of that kind of information in this year, prior to the 1976 funds being released to the States. What we will be working for with them is to sharpen those estimates and those plans so that they are realistic. Many States can't generate realistic plans right off the bat because they haven't been faced with this.

Year by year then we will have available for you, Members of the Congress, as well as for our own purposes, what it is the States say they need, how many people, how many dollars and so forth.

STATE PLANS

Mr. **Flood.** When do you expect to have these new, revised State plans that are required by the new law?

Dr. **Martin.** We will have the first draft of those by the end of this fiscal year. The plans are due in final form August 21—1 year after enactment of the law.

ADEQUACY OF THE BUDGET

Mr. **Flood**. This new law also authorizes increased Federal assistance to help the States with the education of handicapped children. The budget for State grants is $50 million. All things being equal, do you think that budget is adequate to help the States with these needs for handicapped children?

Dr. **Martin**. It depends on how you define help. It is not obviously adequate to help pay the costs of these programs, which I would estimate overall will run over $1 billion probably to $2 billion in services before all handicapped children are served, but it is adequate to continue to help the States with certain aspects of that program, primarily what we have called the capacity building or the resource building aspects of the program. Here we are back to the discussion we had in relation to the budget last year, the real issue being what is to be the Federal role.

Will it be a role of catalyzing and stimulating the States in helping train teachers and helping develop model programs, or will it be a role of helping sign checks for services?

Mr. **Flood**. What indications do you have that the States can provide adequate educational services for these handicapped children? Are you wasting ammunition or what?

Dr. **Martin**. No, I don't think there is any money going to waste. For example, you take the funds last year that went to Pennsylvania under this program. They helped locate, diagnose, and prescribe services for more than 60,000 children who have mental retardation or learning disabilities.

Mr. **Flood**. Pennsylvania is an outstanding State. We know that. Let's go across the board.

Dr. **Martin**. Let's take Kentucky, for example.

Mr. **Patten**. Why does the Federal Government have to prod them? It was a Federal court decision that had to prod Pennsylvania.

Mr. **Flood**. They asked for it.

Dr. **Martin**. It is, and by the way, there are court decrees in more than 25 other States as well. In Kentucky they have a problem with great numbers of children unserved. There are about three quarters of the handicapped children unserved in Kentucky, but we have been using the Federal funds to help, for example, provide trained teachers in districts. Only a small percentage of school districts had trained specialists and educational leadership people. The answer to the question whether these funds are helping is yes. The answer to the question whether this amount of funds is going to be helpful in the fiscal sense to the States in meeting these massive challenges is no.

FULL EDUCATIONAL SERVICES

Mr. **Flood**. At the rate of funding proposed in your budget, when would the States reach the goal of full educational services for all handicapped children?

That is a tough one, but take a shot at it. I said when.

Dr. **Martin**. There is no real correlation, Mr. Flood, between our level of funding and the total State funding. For example, this year there are almost 3.5 million handicapped children in special education programs, and the States and local communities are spending over $3 billion in educating handicapped children.

Our grant to States program, which was appropriated by the Congress, $100 million, and the final $50 million will soon be reaching there, will do a good deal to begin programs. In fact, under the law it must be used to begin programs to serve children.

Our estimate is that it will help reach another quarter of a million such children and help begin programs for them in combination with State and local resources.

My feeling is that if the State funding held even and the Federal funding held even, obviously we would never reach the goal. If the Federal funding holds even but the States continue to have to provide their resources, I think it will be at least 5 to 10 years before we get to the full services objective.

CHILDREN NOT RECEIVING SERVICES

Mr. FLOOD. Here is something that is a problem. You estimate that only 50 percent of the handicapped children who need special educational services now are actually receiving it, 50 percent?

Dr. MARTIN. A little bit over. It is now about 55 percent of school aged children.

Mr. FLOOD. And in your budget you estimate that 1 million or a little more are actually excluded from any kind of educational programing, and that hundreds of thousands are what you call mislabeled or misplaced. What can be done about these million children who are totally excluded from any educational program?

Dr. MARTIN. My feeling is that in developing the policies that we are going to use for the expenditure of these Federal funds, and under the general guidelines that the Congress has given us, we are going to insist that the funds be spent on educating those children first. The first priority for the expenditure of funds must be on children who are unserved now, so that as far as these dollars go that are available to the States, they will go on behalf of those children who are not now receiving services.

The total societal pressures on the States to provide services to the children through the courts, through the parents, through State law, are also building. Further, we have made in our discretionary programs a number of concentrated attacks on the severely handicapped child, which is the child who is most frequently excluded.

The strategy we are going to use for spending these dollars will be to give the first priority to targeting on the severely handicapped, the unserved children, the unserved preschool child, the child who is not identified and diagnosed in the schools. This is where our Regional Resource Center program comes into play, on those populations.

I also feel as though while we should give the States, for example, a time line on when they will implement their full services goal, we ought to not assume that the Federal Government is saying to the States, "Well, you can have 5 or 10 years or some long period of time before you get these excluded children into the system."

My feeling is that the States should move immediately to try and include every child that is now out of school to get them in, and that all of the court decisions have affirmed that, but, having done that first stage of the process, then I think it may take longer before they are able to provide appropriate services to all the children with learning disabilities, all the children with mild hearing problems, and so forth.

MISLABELING AND MISPLACEMENT OF HANDICAPPED CHILDREN

Mr. **FLOOD**. Is your office doing anything about the mislabeling?

Dr. **MARTIN**. Yes.

Mr. **FLOOD**. Or misplacement of handicapped children?

Dr. **MARTIN**. We are doing two broad things about that. One was we were very much involved in support of and in participation in the new, very major study of the effects of labeling on children, which was just published by Dr. Nicholas Hobbs at Vanderbilt and which is already having a great deal of impact on the thinking of people across the country.

Secondly, under the Federal law now we are encouraging the States to educate children in what is called in our jargon "the least restrictive environment." That means that if a youngster needs a special school, that is fine, but if he can really be educated in a regular school, with supplemental attention, that is a least restrictive environment for him. So the policies that we will be working with the States to implement is on this least restrictive environment thing.

We also fund in our teacher training program now in many of our programs, programs which don't emphasize the need to label a given child. We want to be sure that the children served are in fact handicapped, the children Congress intended us to serve, but there frequently is little reason for identifying this particular child as mentally retarded or that the particular child is emotionally disturbed, and so forth and so on. We have tended I think in the development of educational programs to use administrative labels which were useful for writing laws and useful for appropriating funds, because they communicate well, who is involved and what they need, but we have tended to take that a little bit too far, and designed all programs around these categories more than we needed to.

NUMBER OF PROJECTS

Mr. **FLOOD**. Again in your budget justifications you say Federal funds will be needed to assist 250,000 children in 2,000 projects. That is during the current year?

Dr. **MARTIN**. Yes.

Mr. **FLOOD**. However, in the next academic year you estimate 250,000 children will be assisted in 2,200 projects. How in the world do you serve the same number of children at the same time that you are proposing 200 additional projects?

Dr. **MARTIN**. I am afraid it's a typographical error actually, Mr. Flood.

Mr. **FLOOD**. That is good. I am in favor of that.

Dr. **MARTIN**. The same number of children and projects with the same number of dollars.

Mr. **FLOOD**. Nothing to do with birth control?

Dr. **MARTIN**. No. Even if you expect, as we do, that the moneys will have to be spread a litle thinner because of the higher costs, that extra 200 is simply a typing slip.

Mr. FLOOD. Mr. Natcher.

Mr. NATCHER. Thank you, Mr. Chairman.

As you know, Dr. Martin, this program means a whole lot to my home State of Kentucky, and you know the difficulties that we are having at this time in Kentucky with this program. I just want you to know that we appreciate all the help that you and your associates give us.

Dr. MARTIN. Thank you, Mr. Chairman. We are anxious to do whatever we can.

Mr. NATCHER. Thank you

Mr. FLOOD. Mr. Patten.

PROGRESS OF HANDICAPPED PROGRAMS

Mr. PATTEN. Dr. Martin, it's 7 or 8 years since you have been coming up here on the Hill beginning with your work with our ad hoc subcommittee on the handicapped. Have you had any satisfaction in those 7 or 8 years? Are we making any progress?

Dr. MARTIN. I remember, Mr. Patten, your testimony before that subcommittee in support of a large bill that your former colleague Mr. Carey had introduced, and you are talking about your experience in Perth Amboy as the mayor when you were there.

We have seen the Congress pass, since that time, almost all of the features of that original legislation on which you testified in support.

We have also had, as a result I think a good bit of the Federal stimulation activity, as well as, of course, the major contributions the States have made, more than the 1.5 million children newly enrolled in special education programs since those days 7 or 8 years ago.

The Federal Government's contribution in 1967 was about $37.5 million for education of handicapped children. This year it will be about $400 million, including this budget that you are talking about, and the funds available under vocational education and under title III of the Elementary and Seconday Education Act and under Head Start, the cumulative total of those programs will run just under $400 million. The Federal Government has been doing a good deal.

There are other things besides the numbers. For example, here is a booklet that we just received today. It lists the new distinguished achievement awards in teacher education. The first item commended is one of our model preschool projects down at Memphis State University. It's a project designed to help diagnose and remediate children from birth to 4 years of age.

Here is another booklet published on the Optacon, which I have talked about, a device developed under Federal funds which reads print electronically and which translates that print into an impulse under the finger of a blind person so that a little optical scanning device reads an "I," it makes the shape of an "I" under the finger of a blind person.

With Federal funds in our research program we have not only helped develop that device out at Stanford University but we have had an independent evaluation. This was done by the American Institution on Research to determine the utility of the device. We are now hoping in this budget, under our media services program, to help make these devices more available to blind people.

As we look back over that time, we see a quarter of a million teachers trained. We see 1 million or 1.5 million more children in special education. We see new curriculums and teaching materials. I am very thankful I have had the chance to be part of this, as a matter of fact.

SOCIAL SERVICES

Mr. PATTEN. Let me ask you this. We had quite a fight on the floor last year to limit social services to $2.5 billion under the Social Security Act. Then we got into the WIN program. Do these things touch your work in education? Do you feel this other money? We are talking about billions of dollars?

Dr. MARTIN. Yes. You feel it a number of ways. Let me give you an example. We gave a grant to a program down in the State of Georgia called the Rutland Center, a preschool program for early childhood education. It was a unique model in that it combined education and mental health, the kind of thing Mr. Flood was asking me about before as to coordination between various programs.

The Rutland Center was very successful. The grant we gave them was roughly $60,000 to $100,000 a year to develop this program. They then used these moneys you are talking about under 4A to provide services to children in 14 additional centers around the State, using those 4A funds in replicating the original project.

Also a good many retarded youngsters are served in day-care services and others that were funded under the 4A funds, community groups, like the National Association for Retarded Children or the Easter Seal Society and other similar groups. So while we don't administer that program directly, we are very much aware of the dollars it makes available in the community to either replicate services for handicapped children, or to provide additional services outside the school system for those youngsters, because most of the handicapped children we deal with have more than one kind of problem.

They don't just have an education problem. They may need medical services, psychological services, financial assistance, and so forth.

Mr. PATTEN. I would like to go over with you, but I am not going to, what must have been your first love. That is speech therapy, but let's forego it. We haven't heard from these other two fellows, Dr. Saettler and Dr. Mueller. It would be interesting to know where they feel they have made any progress or are getting anywhere.

PERSONNEL TRAINING

Just quickly from Dr. Mueller or Dr. Saettler as to their work in training personnel.

Dr. MARTIN. Let me just say a few words about Dr. Saettler. He is the product of a Federal training grant in part, an internship grant in the Office of Education, and we stole him away at the end of his graduate training. He has been with us for 4 or 5 years now and he has seen a good deal of change in teaching over that time.

Dr. Mueller has been with us even longer. He has been with us since the Bureau was a Bureau. Each of them can give you a little of some of the highlights that they have experienced.

Dr. SAETTLER. In terms of training, when we look back over the last

15 or 20 years, we can see just before 1960 there were approximately 40 training programs throughout the United States, training teachers to work with handicapped children.

Then, as we began, in terms of Federal funding, particularly since 1958 and the early 1960's, and then expanding further over the past several years, we now have over 300 colleges and universities that have programs training teachers.

This has been as a direct result of Federal funds.

We have also had a great expansion in terms of other areas, not only in terms of just educators, but this past year we have initiated several other efforts in terms of working with training paraprofessionals as well as training regular educators to work with handicapped children that may be in their classrooms.

We have and will continue to have, I think, in our program a tremendous influence on the training of all teachers as a result of our experience in training teachers who work with handicapped children.

Those are some of the activities we plan to engage in even further with funds under this particular bill.

Mr. Patten. Thank you.

Mr. Flood. Mr. Obey.

STATE ASSISTANCE

Mr. Obey. Dr. Bell, how much are you asking for State grants this year?

Dr. Bell. We are asking $50 million this year in State grants.

Mr. Obey. I don't suppose your real feelings differ from the feelings you expressed last year in hearings when you indicated that the reason you asked for $100 million was because you thought you would have much more clout in accelerating State attention to the entire program area?

Dr. Bell. I am not sure I am following you, Mr. Obey.

Are you referring to last year's testimony?

Mr. Obey. Yes.

Dr. Bell. Or are you referring to the rescission testimony?

Mr. Obey. I am referring to the testimony on the supplemental appropriation.

Dr. Bell. Yes.

Dr. Martin. I think, Mr. Obey, we have two different things, the official budget request is $50 million. I believe you asked during the testimony what was it that the Office of Education had requested.

Mr. Obey. That is right.

Dr. Martin. That was the sum of $100 million which the Commissioner said we had chosen because we wanted to move ahead as quickly as possible, and because we felt it would, as you just said, accelerate our impact on the States in serving unserved children.

STATE CRITERIA FOR RECEIVING FUNDS

Mr. Obey. Let me ask this.

Your justifications indicate that any State—page 166—in order to receive funds under this program, "must establish the goals of providing full educational opportunities to all handicapped children and provide for the procedure establishing the goal, time table" et cetera, et cetera.

What is happening in my State, for instance, is that the department of public construction testified before our Joint Finance Committee last week that, because of the very stringent fiscal situation on the State level, and because, as I indicated earlier, my State at least has a constitutional prohibition against deficit spending, and because my Governor feels that a tax increase on the State level would just be running counter to the efforts of the Federal Government to stimulate the economy—if we are putting money in and they are taking it out it doesn't make much sense—if you have an appropriation that small, there really isn't much pressure for States really to move ahead, is there, especially when they face a financial bind, if anything, tighter than the one we face?

Dr. MARTIN. I think the pressure is there probably because the State feels the organized concern of the parents.

Mr. OBEY. There isn't much clout with a small $50 million appropriation.

Dr. MARTIN. In all honesty the States are beginning to feed back to me, Mr. Obey, and to the Commissioner, that there is a sense of resentment about the fact that we are increasing the pressure on them to educate all handicapped children without proportionately increasing the resources available.

That is a problem that the Commissioner and I have already faced from some chief State school officers and that we will continue to face.

RESPONSIBILITY FOR EDUCATING THE HANDICAPPED

Mr. OBEY. Let me state I think, for the record, I believe it is their responsibility to educate every handicapped kid, regardless of whether the Federal Government provides a dime or not.

Dr. BELL. That is precisely our position.

Mr. OBEY. That is my feeling.

I talked to a group of educators during the campaign in my own district, and made myself very unpopular by making that statement, but assuming that local school administrators are no more willing to stick their necks out than anybody else in this country to do what they really ought to do, it seems to me that sooner or later we have got to quit the baloney about who has the responsibility, and decide really the fundamental question, which is simply how in God's name are we going to get more of these kids educated.

Dr. MARTIN. I agree.

Mr. OBEY. You indicate that it is going to take, what did you say, 5 to 10 years. I would be flabbergasted if it didn't take twice that long, given the way we are funding things now. I would simply ask you, given the financing bind that we find States are in, do you really think there is much likelihood they are going to make much progress in the next 2 years?

Dr. MARTIN. I doubt it, Mr. Obey.

Mr. FLOOD. When?

Mr. OBEY. The next 2 years.

Dr. MARTIN. I doubt that it will be the progress that you or I and the committee would like, or that the parents would like.

For example, you may have read in the paper this week where there was a refiling here in the District of Columbia on behalf of 62 children who were not being provided for despite Judge Waddy's order, and the parents are asking that the schools be held in contempt.

The answer obviously, in situations like that, is we don't have the money. I think you will see a lot more of that kind of thing. I see this in my own home community, for example, where in Fairfax County the board of supervisors has asked the school district to cut $5 million to $9 million out of their school budget.

One of the places they hope to have new money this year was for meeting the Virginia law to implement education for all handicapped children. Those collisions are definitely going on, and I wouldn't kid you. I think they will remain fairly much at equilibrium despite the fact the States will try, as we will, to show some increase in budget in this area; I think there will be some progress, but until there is more money available, we are not going to get these millions of children served.

RATIONALE FOR FUNDING

Mr. Obey. Let me ask you this.

The law under which this money is provided is, according to your justifications, aimed at "assisting in the initiation, expansion, and improvement of programs and projects for the handicapped and preschoolers."

You indicate that there is no correlation between what you spend, what dollar amount you are able to provide, and what happens at the local level.

Why should we fund you at all?

Dr. Martin. What I meant, Mr. Obey, was that I can't give you a direct mathematical correlation which says if you spend twice as much Federal money, twice as much State money will be spent. That is what I meant, when I said there is no correlation.

I just meant in a mathematical sense. I can't say the ratio that exists is for every Federal dollar you spend there will be an extra $2, $1, or half dollar because how the States and local agencies respond is much too variable.

What we have discovered is that as the Federal funds have grown that the States have in fact grown faster and faster in providing educational services. We used to see special education enrollment growing by 5 or 6 percent a year. Now it is growing by 11 or 12 percent a year as the Federal efforts begin to multiply.

Furthermore, we have seen a correlation between the kinds of activities that we support and the development of programs, so that in a variety of States, right now in Wisconsin, for example, some of the major goals in fulfilling the provisions of chapter 89 is to provide preschool services, to provide after school programing for trainable retarded youngsters, to provide services for severely and multiple-handicapped children who used to be enrolled in day care facilities, and so forth and so on.

Our funds have been helping to organize and initiate new programs of these types, to provide in-service training of staff, to assess individual children, and to locate the children. They are used, for example, to perform a statewide study of hearing impaired children and to find them. As the Federal funds have done those kinds of things, then the State has begun the programs to develop and supply those services.

We started, for example, 25 new units for 450 learning disability children in Wisconsin, and the State has picked them all up, so that there is a logical catalyst and there is a logical correlation, but I couldn't give you a mathematical ratio.

Mr. OBEY. I am informed that Wisconsin's chief school officer in testimony before our legislature, indicated that what they might have to do is postpone the implementation of their new standards because of financial problems at the local level—which are no different than we have here at the Federal level except that they can't deficit finance and we can.

FINANCING EDUCATION PROGRAMS

I will just ask you one other question.

Every year when we talk about this we are told we can't finance any more money for education of the handicapped because we have budget restrictions at the Federal level. If we can't do it in years when unemployment is low and inflation is running rampant, and if we also can't do it in years when unemployment is going out of sight and the economists tell us we ought to be putting more money into the economy to create jobs and everything else, if we can't do it either of those times, when can we do it?

Dr. MARTIN. I think, as I have said to this committee before, and I think it has been reflected in the Commissioner's testimony to you last week as well, we feel very much that this is a job that needs to get done. We feel exactly as you just said yourself, that there really is no way that I can explain or that the Department of Health, Education, and Welfare can explain to any given parent why it is their youngster should be turned away from school, as the chairman said, or why it is that they shouldn't get an appropriate program, and we are not trying to make that case.

What we are trying instead is to do whatever we can do and we will do whatever the Congress determines the Federal role will be in this area.

Really the discussion we have had in this committee for several years and the discussion we have had with the authorizing committees is: What is that Federal role going to be? What are the parameters of it? Is it going to be a direct support of services role?

Is this the time when the Federal Government should get into the business of helping the States pay the bill and move things along faster, or is it going to be the role that is articulated in this budget where we say, "No, those dollars should come from State and local sources, and we will do other valuable, important things"?

NUMBERS OF CHILDREN

Mr. OBEY. I just noticed in your justification page 168 you have a little table: Increasing numbers of children receiving services reported by State educational agencies.

Each year for the last 4 years the increased percentage of children receiving services has remained the same, so while we talk about this great urgency, and while a number of States have passed—your justifications indicate at least 23 more in addition to the others you say are in substantial compliance, at least 23 more have laws on the books, which would imply State support for these kinds of programs, we really haven't been able to show any buildup.

Dr. MARTIN. The curve is not accelerating in the way we would like. The last 2 years of that, Mr. Obey, are extrapolations, because we are not sure what the end result will be, but our best guess is, as I mentioned to you a moment ago, that we will have kind of a flat curve of growth over these next couple of years.

That is reflected by that 11 percent figure.

TEACHER DEMAND

Mr. OBEY. On page 220 of your justifications you say, "The current demand is for 200,000 new teachers, and if the education system is to meet its full service commitment of 500,000 teachers an additional 260,000 teachers are still needed."

Yet I take it you are asking what, $2,505,000 more for fiscal year 1976 for teacher training programs?

Dr. MARTIN. Yes.

It is an increase that we are asking for at a time, I might say, when most of the manpower support programs in HEW have either been cut back or terminated, and it represents the fact that we feel this is a major priority.

Mr. OBEY. How many more teachers do you think that money would actually provide?

Dr. MARTIN. Through a variety of strategies we feel we will increase the teachers by about 5,000 the actual total number of teachers to be trained. On the next page, page 203, Mr. Obey, there is a chart which shows the numbers of students we are estimating will be served through a variety of different program strategies.

The first group would show a total of about 18,000 students enrolled directly in programs that will be touched by the Federal efforts.

Then just below that we have a regular education program in which we have estimated 10,000 young people will be trained. I would like to take just a moment to talk about that. That can become a much larger figure, because what we have done this year is we have invited the deans of colleges and universities to apply to us for a small planning and implementation grant, to revise the undergraduate curriculum for all teachers of education, so that they are all more able to deal with handicapped children.

We are estimating now that we will fund about 50 or 60 colleges and universities in the next month or so in such a way that we will begin the systematic change.

SURPLUS TEACHERS

Mr. OBEY. Let me ask you about that.

At this time when we have such a glut of teachers on the market, we are told, wouldn't this be an ideal time to substantially accelerate our efforts, regardless of whether it is the Feds or the States that do it, to move a lot of those surplus teachers into this area?

Dr. MARTIN. We are doing that, and you will see it reflected here in several different places in the budget. If you notice, Mr. Obey, at the bottom line, to coin a phrase, of this chart, there are 9,000 students in preservice programs and 21,000 in in-service.

Those in-service programs are aimed a great deal at providing instruction to regular education teachers to be able to serve handicapped children, and represent a major strategy on our part in taking advantage of this surplus population.

Also, we have several other programs that are highly teaching oriented that don't show up in this. For example, under part B of the Education of the Handicapped Act itself, the States funding their own projects provided more than 75,000 teachers with additional training during that year in short-term or on-the-job kinds of training.

Our regional resource center program, for example, dealt with 4,000 or 5,000 teachers, training them to be better educational appraisers and so forth, and so the cumulative number of teachers who are going to be receiving services will be well over 100,000 this year, receiving at least some part-time instruction.

For example, 4,000 or 5,000 people in Head Start alone would be another dimension of how our programs reach out and touch what you would call regular educators.

RESEARCH PLANNING EFFORTS

Mr. OBEY. Let me ask another question.

Page 188 of your justifications you talk about or list four full research planning efforts.

Dr. MARTIN. Yes.

Mr. OBEY. You mention the lack of teaching materials and knowledge about successful methods of teaching, lack of programing in certain high needs areas, et cetera, lack of appropriate methods to integrate handicapped kids into secondary, adult, and higher education programs.

How does NIE tie in with this?

Dr. MARTIN. In authorizing NIE, the Congress recommended that the basic authority for applied research in education of the handicapped stays in the Education of the Handicapped Act and is administered by our bureau.

At the same time they felt NIE could play a very useful role in doing more basic, long-term kinds of research, and doing research which would impact on handicapped children as subparts of larger populations.

For example, if NIE is funding a large study on child development, we have urged them, and did in the planning of NIE, to include handicapped cohort groups in those long-term studies, or to study the impact of language development, for example, as it occurred in handicapped children as well as normal children.

That has been an historic lack in educational research. Many, many studies were done on children's development, but they never looked at the handicapped children, and so we had to develop separate programs.

Our program, on the other hand, has focused and will focus very sharply on particular programmatic priorities.

For example, adapting teaching materials to unique needs of handicapped children is the major focus of six research curriculum development projects that we have now, by the way, all of which have been attractive enough to be distributed commercially, and are now widely available.

In fact, I have a letter here that I was thinking of submitting for the record from a major publisher saying these materials were most successful and he felt the greatest satisfaction out of the development of our social learning curriculum for retarded children of any project that the Charles Merrill Co. had ever done.

The same with the second area, the insufficient knowledge about methods of teaching which is the focus of a major study at Indiana University. Dr. Mueller, I think, has a package of materials that he brought along with him, just one example of a particular kind of teaching material designed to help classroom teachers. For about the last 6 years the Bureau has been supporting a major programmatic R. & D. effort relating to methods and materials directed toward the improvement of teacher performance. The center for innovation in teaching the handicapped (CITH) located at Indiana University has been the major Bureau supported program addressing this issue, but a number of individual projects have also included consideration of teacher training among their objectives.

As a result of this work, a number of specific teacher skills and attitudes have been identified which can be shown to effect the school success of handicapped children. At present, CITH, as well as several other Bureau supported projects are engaged in the development and validation of mediated programs designed to provide training in critical areas on a self-instructional basis. Such packages should be effective as supplementary materials in preserve training courses, and as independent study for inservice teachers.

USE OF ADDED FUNDS

Mr. OBEY. If you had $200 million more to spend, where would you spend them?

Dr. MARTIN. I would spend the largest majority of that money in assistance to the States, in meeting the unserved needs of handicapped children, with particular emphasis on preschool programing, either through that vehicle or through the expansion of our own model preschool activities. I think that we are getting the biggest bang for the buck out of preventive programs that are starting early, and that a long-range strategy shouldn't just be built on rehabilitation and financial assistance to handicapped adults.

We ought to be dealing with the zero to five population and reducing the number of kids who need the services.

Mr. OBEY. I wonder if you would supply for the record some more specific information on exactly where you would put that.

Also, Mr. Chairman, if we could insert page 403 of our deferral and rescission hearings.

Mr. FLOOD. Without objection, that will be done.

[The information follows:]

ALLOCATION OF ADDITIONAL $200 MILLION

Grants to States—$150 million.
Teacher preparation—$25 million.
Early childhood grants—$25 million.

Type of Handicap	1971-72 Served[1] (SEA Estimates)	1974-75 Served[2] (Projected)	National[3] Prevalence	Unserved 1974-75
Speech impaired	1,400,000	1,850,000 (78.9%)	2,345,000	495,000 (21.1%)
Mentally retarded	875,000	1,200,000 (80%)	1,500,000	300,000 (20%)
Learning disabled	165,000	225,000 (33.6%)	670,000	445,000 (66.4%)
Emotionally disturbed	165,000	225,000 (16.2%)	1,390,000	1,165,000 (83.8%)
Crippled and Other Health-Impaired	205,000	255,000 (76.1%)	335,000	80,000 (23.9%)
Hard of hearing	5,000	7,000 (2.1%)	335,000	328,000 (97.9%)
Deaf	36,000	44,000 (88%)	50,000	6,000 (12%)
Visually handicapped	31,000	39,000 (60%)	65,000	26,000 (40%)
Total	2,882,000	3,845,000 (57.5%)	6,690,000	2,845,000 (42.5%)

[1] From Projected Activities Reports.

[2] National total of served obtained from Aid to States Branch, Bureau of Education for the Handicapped, Fall and Winter, 1974-75; from data supplied by the State education agencies. No information available by type of handicap. Projections made as follows: Overall increase of about one-third except that probably somewhat less for deaf, visually handicapped, crippled and other health-impaired, and somewhat more for trainable mentally retarded, learning disabled, and emotionally disturbed.

[3] Rate of 10.035% applied to estimated population of 60,000,000 age 5-21, and half that rate applied to population of 14,000,000 age 0-4.

Mr. FLOOD. We will resume at two.

AFTERNOON SESSION

DEAF-BLIND PROGRAM

Mr. FLOOD. How many deaf-blind children of school age do you estimate there are in the United States?

Dr. MARTIN. There are between 5,000 and 7,000.

Mr. FLOOD. And how many are receiving some kind of eduational services?

Dr. MARTIN. At the present time 2,800 in full-time service, and about 1,000 more receiving part-time and diagnostic services. With the amount that we will be requesting in the budget, we will be able to increase that to 3,600 in full-time placement, but there will be an additional several hundred youngsters in part-time placement, and others still who will receive diagnostic services.

Mr. FLOOD. Is the number of the deaf-blind declining each year?

Dr. MARTIN. No, sir, it is increasing. It is not increasing at as fast a rate, Mr. Flood. The rate was very high during the years of 1964-65 when we had the Rubella epidemic that was so widespread and thousands of deaf-blind children were born. However, there is a normal incidence of deaf-blindness growing out of genetic problems, also encephalitis, meningitis, things like that that tend to create a certain number, but the major rate of increase is declining, thanks to your preventive programs in health that are beginning to provide inoculations and other preventive measures.

Mr. FLOOD. You are requesting $16 million for the deaf-blind centers.

Dr. MARTIN. Yes.

Mr. FLOOD. That is an increase. You are up $4 million over last year.

Dr. MARTIN. That is right.

Mr. FLOOD. How do these deaf-blind centers relate to the special education programs in the local school districts?

Dr. MARTIN. The centers are coordination centers. The reason we began what has been one of our most positive experiences with regional programs is because deaf-blind children are not equally distributed across the country. There were certain pockets where the epidemic took hold, and there were some States that were relatively untouched.

We decided to set up 10 regional centers across the country, which would be responsible for case finding and for setting up diagnostic activities, and in general, serve as umbrella facilities.

They in turn will pass through funds to 300 local projects, many of which are school based projects. Some of which, however, are still using private resources, for example, a speech and hearing center which might be running a program and receiving some funds from us. But in all instances the local school people are involved, either as a sponsor, participant, or in fact the direct service agency, as part of the total development of services for these youngsters.

SELECTION CRITERIA FOR DEAF-BLIND ENROLLMENT

Mr. FLOOD. How is a deaf-blind child selected for enrollment in one of these deaf-blind centers?

Dr. MARTIN. One of the first steps that the regional programs did was to develop the capacity to identify deaf-blind children. They did this through making grants to agencies for the development of programs in identifying deaf-blind children. We began a registry, for example, so that we have now an actual list of more than 4,000 children by State. I can give the committee if it wishes the data on how many children there are in each State and the supporting information about the very comprehensive evaluation by physicians, psychologists, and by educators.

Mr. FLOOD. In your budget you refer to full time and then part-time services for these deaf-blind children.

Dr. MARTIN. Yes.

Mr. FLOOD. How is it determined whether a child is full-time service or part-time service?

Dr. MARTIN. Almost all of the children should be in full-time service.

Mr. FLOOD. All right, I would agree with that.

Dr. MARTIN. What we have been doing is increasing the availability of full-time services, but sometimes, as you begin a program, a community will only have either the personnel resources or the money to start a program 3 or 4 hours a day for a youngster, and so the first stage of many of these programs has been in part-time placement.

We have had a push underway with the additional funds the Congress has given us, to convert those part-time programs into full-time programs. And so the real answer is that the only time a part-time program would be the program of choice is if a youngster simply couldn't tolerate a longer program, and there are such youngsters. But in most instances it is simply a failure of that particular community to be able to afford full-time placement. Maybe they have got 14 youngsters and only enough room or personnel for 7 so they give each a half-day program.

DEAF-BLIND CENTERS AREA OF RESPONSIBILITY

Mr. FLOOD. I see that one of these deaf-blind centers is in the Bronx. The Bronx is in New York. This center is supposed to serve Puerto Rico and the Virgin Islands.

Dr. MARTIN. Yes.

Mr. FLOOD. How in the world can a deaf-blind child from Puerto Rico or the Virgin Islands possibly take advantage of that center, unless the family transports the child there for the summer or moves to the Bronx for the year-round? How do you do that?

Dr. MARTIN. That doesn't happen. The answer is that the children don't come to the centers. The centers are administrative umbrellas in this particular case. If you will notice, Mr. Flood, in the budget we have a line among the various items, full-time educational services, part-time, diagnosis, and you will see regional center costs for supportive services. Out of that $16 million about $1.8 million would go to that.

Those costs represent consultants, field workers, and others who go to the States and the communities and help with the establishment of programs.

Mr. FLOOD. To the islands?

Dr. MARTIN. Yes, and then the $16 million is not spent at the 10 centers. If you will notice under the $16 million there will be 300 to 325 subcontracts; these will be actual subcontracts for centers on the island of Puerto Rico, and in each State and community where there is a need.

Those have increased. Last year we had 250, and with this new appropriation we will have 50 to 75 more. That is how it is done, but the value of having the regional centers is that it allows you to have some expertise built up that you can't have everywhere, that can go and help local programs, and also coordinate the bookkeeping, the records systems, instead of every little school and school system keeping track.

SEVERELY HANDICAPPED PROGRAM

Mr. FLOOD. In the justifications you state for the first time, 1976, separate funds now are being requested for projects for the severely handicapped.

Dr. MARTIN. Yes.

Mr. FLOOD. You are asking for $3.25 million.

Dr. MARTIN. Yes.

Mr. FLOOD. For these projects to serve 1,500 children.

Can you describe what services these children would receive?

Dr. MARTIN. They are very severely handicapped youngsters, many of whom have been excluded from the schools, as you mentioned this morning. Others have been in State hospitals. Now the local districts are charged with the responsibility for educating thme.

Most of these children require more than one kind of service. For example, they may require speech therapy or physical therapy. They may require the help of a prosthetic aid, for example, a brace or perhaps a hearing aid. Very carefully designed educational programs have to be developed on a highly intensive basis, to work with these severely handicapped youngsters.

What this program will do is this: It will provide a limited number, approximately 21 grants across the country, to foster model program development for severely handicapped youngsters, and to assist the States to discover ways to do this job that they are now charged with doing.

Mr. FLOOD. How much are the States contributing to these programs?

Dr. MARTIN. The States will share the costs in all of these grants to a varying degree, by at least 10 percent; but the real State contribution will come in the picking up of the grants after they have begun.

These will be temporary projects, let's say, 3 to 5 years in length at the most, and the States, before we will make such an award, will agree to provide additional funding as they go along; and, if the project is successful to pick it up and implement it.

Mr. FLOOD. How are these severely handicapped served under the State grant program?

Dr. MARTIN. In many States they have not been served well at all, because a lot of States simply didn't accept the responsibility for these youngsters. A State could begin a program under its part B money for severely handicapped youngsters, and some have.

This program is really designed more to show what a good program could be. For example, Mr. Flood, when Pennsylvania was put under court order to begin serving severely retarded children that they had not before, the first thing that happened was that people from Philadelphia came down to see me and they said, "Can you help us? We are willing to do this job, and we understand we have to, but we really don't know where to begin. Are there some models we could look at? Is there something you could do and could you help us?"

We have organized some training programs to help in that area, but this is a perfect kind of a strategy. If we had one of these model projects that we could establish in a location, that other communities could come and look at: that is what we want to do. Then they will use the part B money under the Education of the Handicapped Act and State moneys to replicate these in other communities.

DEMONSTRATION MODELS AND PROJECTS

Mr. FLOOD. Also in the budget for the early childhood education, there you talk about demonstration models and demonstration projects.

What is the difference between a demonstration model and demonstration project? We use those terms interchangeably around but you apparently have a difference. What is the difference?

Dr. MARTIN. The basic program we often call a model project program, and we will have about 200 of those that are community based projects, either in schools or other agencies, for serving children. In a few instances we have other projects authorized under this program, for example, one to provide technical assistance. We have made some projects, very few in number, five in all, to develop an activity, for example, a television approach, under the Mr. Rogers program, that was specifically designed for the handicapped.

This program basically is a model project program. The words should be used essentially interchangeably, Mr. Flood.

TECHNICAL ASSISTANCE

Mr. FLOOD. Can you describe what you call the technical assistance development system? How much Federal money is involved in that system?

Dr. MARTIN. That has been a most successful effort I believe we have done to improve the quality of early childhood programs around the country.

Mr. FLOOD. I can't imagine how you didn't come up with TADS. That would be TADS, alphabet soup.

Dr. MARTIN. That is what we call it. Here is the situation where you have 200 model projects out across the country. We have a limited staff of specialists in the bureau who can help the States with problems, and who can provide assistance to these States. We do that, and to the extent we are able to add additional people, of course we do, but we could never do what TADS can do for us, which is to amass a whole pool of early childhood specialists from across the country, and to make them available to each given project as they need it.

The way the technical assistance system works, is to go to a given model project, and sit down with them and say, "what kind of assistance do you need to make this a better project?"

They might say, "we need assistance on evaluation," or "we need assistance on shaping a new curriculum." They will then develop a contract, not a legal contract, but an agreement contract to provide them with that kind of help.

Then they will turn to people, and they might turn to someone from Pennsylvania, or someone from Georgia, or someone from Kentucky, and they will have that consultant go and work with that center.

Mr. FLOOD. How much Federal money is involved?

Dr. Martin. It is about $600,000 I believe this year. It should be in the budget. It is $475,000. I overestimated for a change.

PRESCHOOL EDUCATIONAL SERVICE

Mr. Flood. Concerning the preschool children, how many are actually receiving direct educational services now in their specific educational needs?

Dr. Martin. This year there are 8,300 children who enrolled in our model projects specifically. Those are the full time enrollees. In addition, we have screened 20,000 additional children. For example, many centers do that. The center in your own home community of Wilkes-Barre has screened over 600 children in 5 counties in that area and identified those children so they may be served either in the Easter Seal center in Wilkes-Barre, or through public school programs as they get of age.

In addition to those 28,000 children I have mentioned already, we have provided diagnostic resource assistance to another 20,000 children in the Head Start program, as I mentioned to you a little earlier.

Because these projects have been so successful, and been so attractive, other communities have looked at them, and we have been able to trace, this year already, 500 additional projects. We have only had about 150 up until now. They are being replicated. In those centers there are about 45,000 additional children being served.

REPLICATION

Mr. Flood. Now there is something, replication. What kind of activities would a child, in what you call the replication program, be engaged in?

Dr. Martin. The same as in the model program.

Mr. Flood. What is replication program?

Dr. Martin. The program itself is mirrored after a successful practice. This happens in so many of our programs where we will support a model project. I will give you an example.

In Topeka, Kans., we had a project—the Capper Foundation.

Mr. Flood. Do you recognize any States in the United States except States from which members of this subcommittee come from?

Dr. Martin. After we get a little more money we are going to start serving the other States.

Mr. Flood. I couldn't get you into Puerto Rico at all.

Dr. Martin. Rainbow United Center for severely retarded children in Wichita, for example, has gone over to Topeka and has replicated the Capper Foundation project. They have started a program of their own that looks like that one. Furthermore, there are eight additional sites in Kansas, all of which picked up this idea saying, "this is a good idea and we are going to do this here."

We have been able to find already from our model projects 500 centers which themselves say, "we are a replication of another one of these model centers" and another thousand centers which have taken some part of the idea, an idea they liked, and said, "gee, we like that and we will do that in our center."

LEARNING DISABLED

Mr. FLOOD. Again on these terms you use, according to the budget document, you have the phrase "learning disabled." They obviously or apparently are in your largest category of the handicapped children that are not served.

Dr. MARTIN. That is right.

Mr. FLOOD. Can you give us a definition of learning disability?

Dr. MARTIN. Yes. The simplest definition, Mr. Flood, is that these are children of essentially normal intelligence who have a very specific problem ordinarily in language processing, either they have trouble reading and understanding or they have trouble listening and understanding, or they might have trouble spelling correctly and writing. It is not explainable by the fact they they are deaf or blind. It is a neurological or perhaps a mislearned kind of a difficulty.

Mr. FLOOD. How do you find that out? How many learning handicapped children are there?

Dr. MARTIN. There are a variety of different estimates.

Mr. FLOOD. That is a tough phrase.

Dr. MARTIN. The Federal Government has taken a very, very conservative position in terms of learning disability of children. Until this year we only estimated 1 percent of school age children. We are increasing it to 3 percent, Our definition has always said 1 to 3.

Mr. FLOOD. Is that a lot of kids?

Dr. MARTIN. It is 1.5 million.

Mr. FLOOD. I know but is that a lot in the way I am using the term? Is that good or bad or what it is?

Dr. MARTIN. It is a lot of children who are unserved, and who represent educational problems, and who get frustrated, misbehave, and who get identified as troublemakers or who get identified as lazy, and people know they are bright so they can't understand why they don't do well in school. These youngsters get tremendously frustrated.

Mr. FLOOD. You are not just picking up these things as a caution or something, are you?

Dr. MARTIN. In fact many States estimate seven and eight percent or more children, and they have been pressing us to expand the definition which we are unwilling to do, feeling as though the Congress wants to keep these handicapped programs for the most severely handicapped, and serve those first, before they move out into the fringes.

EXCLUSION OF THE LEARNING DISABLED

Mr. FLOOD. That is what we are trying to find out.

Do the children served under this program differ from those served under the basic State grant programs? In other words, are the learning disabled excluded from the State basic grant program?

Dr. MARTIN. Yes. They are not included in the definition. There are some youngsters in this group who are in fact included by some States because it is possible to identify them as having a health related problem.

For example, if a neurologist would say about a certain learning disabled child, "We think he has a neurological impairment," that would qualify him as a physically disabled child. If, however, they say "We see the same educational behavior, but we can't attribute it to a neurological cause", then they are not eligible for services under the State grant part of the Education of the Handicapped Act.

However, they are eligible for services under this model program authority where Congress has written a separate definition.

Mr. Flood. Does all this Federal activity help the learning disabled to function better over there in that regular classroom?

Dr. Martin. Yes.

Mr. Flood. Here is a regular classroom situation.

Dr. Martin. Most of these children are in regular classrooms.

Mr. Flood. How many?

Dr. Martin. In the last year for which we have full data, which is 1974——

Mr. Flood. In the public schools, of course.

Dr. Martin. Yes. In that year we were able to work with about 13,000 youngsters who were actually identified and receiving instruction. We screened more than 40,000 youngsters to see if they had such problems, and trained more than 3,000 teachers to work with these youngsters as part of these model projects.

REGIONAL VOCATIONAL PROGRAM

Mr. Flood. The budget is for innovation development, regional vocational.

Dr. Martin. Yes.

Mr. Flood. The budget for innovation and development, regional vocational, adult, and postsecondary programs would be expanded to a $2 million program in 1976.

Dr. Martin. Yes.

Mr. Flood. From your program descriptions, it seems that this increase would be used solely to support postsecondary and adult education.

Are not these postsecondary vocational education and the adult education programs authorized under the Vocational Educational Act, and the Vocational Rehabilitation Act? Aren't they in there?

Dr. Martin. There are provisions which allow the States to provide services under the Vocational Education Act for handicapped people. For example, there is a set-aside for 10 percent of the funds under that act.

Mr. Flood. The Vocational Act and the Vocational Rehabilitation Act, two.

Dr. Martin. The Vocational Rehabilitation Act really provides a different kind of service, Mr. Flood. It is more likely to provide a medical or short-term rehabilitative service, or in some instances it might provide training directly, but what we are talking about here is the result of really a very successful program we began with the vocational rehabilitation people.

Mr. Flood. Maybe I had better add this.

How do the activities under section 625 of the Education for the Handicapped Act differ from what you offer under the Vocational Educational Act, the Vocational Rehabilitation Act, and the Adult Education Act, 3 to 1 there? Now what about it?

Dr. **Martin**. The real difference is in the purpose of the program. For example, these programs are designed primarily to stimulate services, to integrate handicapped children into regular education settings. For example, three of the projects are funded this year. One is funded in St. Paul, Minn., a large program at a vocational technical institute there, a postsecondary level technical program. Over time it has served more than 200 adults from different States who come there specifically for educational training at that center. Because they have had a program that is operating on a regional base, they have been able to provide a kind of a training that wouldn't be possible in any single community or even in any single State.

Another program that is funded is the California State University at Northridge. Here you have a regular college and university system, where you have deaf young people enrolled in some 30 or 40 separate higher education offerings with different majors in this area and that area, and where our program is paying for the resources to, for example, have interpreters for the deaf and this, that, and the other thing.

EXPANSION OF LEVEL OF SERVICES

The reason for these programs is to expand the level of services. When the Congress passed the Vocational Educational Act in 1963, the first vocational education amendments, they authorized the system to serve handicapped children. Five years later in 1968 they were unable to find even 1 or 2 percent of handicapped children being served, so at that time they mandated that 10 percent of the funds available to vocational education should be spent on that.

In general, that 10-percent funding is being spent, but that still represents not by any means a full display of services for these people and it tends to represent either development of special vocational programs for school age youngsters or, in some instances, integrated programs. But our program really picks up at the postsecondary level, and is really addressing itself to the audience of postsecondary colleges, postsecondary vocational schools saying "You can get a lot more handicapped people into these programs. We don't have to build special institutions for them. If you will do some modification you are going to be able to serve a lot of handicapped adults."

It is not so much that any given program couldn't be done under one authority or another. The purpose of this program is to get things started, to show how this works.

ADULT PROGRAMS

Mr. **Flood**. The Education for the Handicapped Act, that provides for educational services for children in the elementary and secondary school levels. Then how do you explain using these funds for adult programs? How do you do that?

Dr. **Martin**. It is simply a new provision of the law.

Mr. **Flood**. It is not simply, it is not very simple at all.

Dr. **Martin**. I didn't mean it that way. We have several programs that work with adults, Mr. Flood, that the Congress authorized. This is a new provision that was authorized because it has been demonstrated to be cost-effective to have this kind of educational programing for handicapped young adults who are finished with their secondary schooling and who can go on for higher education.

There is a very, very small percentage of handicapped people who are able to go on for higher educational opportunities, and who have been afforded that opportunity. Yet we know the capacity for such people to do better is there.

Mr. Flood. We were prodding you several years ago.

Dr. Martin. Right.

Mr. Flood. You are going to drop them right here.

Can't you do something more with them? Is this it?

Dr. Martin. What happened is we ran these model projects and they worked, and so the authorizing committees have said, "This is a good idea. Let's expand it. Let's make it available to more people. Let's have demonstrations. Let's disseminate information. Let's stimulate more activity."

They have given us this particular authority to do it. We are very aware of the fact that we need to work closely with Dr. Pierce and our vocational education people, so our efforts will be coordinated. They will be part of the decisions of this kind.

MANPOWER NEEDS

Mr. Flood. You indicate here that the States are to meet their full educational service commitment to the handicapped children. To do that they are going to need about 250,000 teachers.

Dr. Martin. Right.

Mr. Flood. How does this particular budget we are talking about bring the States any closer to meeting that kind of a full, complete, objective you are talking about?

Dr. Martin. It is going to do that in two ways: First of all, this budget will provide us with the ability to train more people than we ever had before in the history of Federal funding. We will have more than 30,000 teachers participating under the benefits of this program, either on scholarship aid or as a recipient of training in a program which is getting some fundamental support. That is one way.

The second way is that our grants, as Dr. Saettler mentioned this morning, have created the capacity to train in many colleges that didn't exist before. As he said, we went from 40 to 400. The answer to that is that we are making a good deal of progress in this area for a variety of reasons. One is the numbers of institutions doing this job are growing. The second is that we are encouraging young people to enter these fields, providing them with advanced training. We are retraining regular classroom teachers who don't have the required skills and who are in the job surplus population that Mr. Obey talked about this morning.

In general there is a change in the assumptions of colleges and universities, to where they now see that they want to provide special training to their regular classroom teachers, their principals. I had lunch with the superintendent of schools of the school district in Michigan.

Mr. Flood. Did you buy, or what?

Dr. Martin. In this particular case we went Dutch.

Mr. Flood. That is good.

Dr. Martin. He is a man who didn't know anything about handicapped children as a result of his own training. He went through, as most educators did, without studying special education. He had gotten tremendously interested in the field and he has this new responsibility and is doing some lovely things as a matter of fact in that program.

He was agreeing with me that there is this tremendous need to do not only this job, but to get at the some 2 million teachers who are employed across the country now, principals and so forth, and to help them do their jobs.

TEACHER TRAINING PROGRAMS

Mr. Flood. The same kind of question again.

What other Federal funds are available for this business of training teachers for handicapped children; where else?

Dr. Martin. Outside of this authority, there is really only one authority that is doing a very good job in this area. That is the Teacher Corps. As you know, it is a small program, $37.5 million program, that is designed to work with improving the education of disadvantaged youngsters.

Mr. Flood. Teachers' corps is doing a good job.

Dr. Martin. Yes.

Mr. Flood. Are there any others where the money is available for doing the same thing whether they are doing a good job or not?

Dr. Martin. No, because we have really reduced the funding under the Educational Development Act where it is no longer in that ball game.

Mr. Flood. That is what we want to keep pounding at.

Dr. Martin. We did not ask for any funds for that.

Mr. Flood. You don't want to fragment this kind of thing.

Dr. Bell. Mr. Chairman, to be totally complete in the answer, it is conceivable that a——

Mr. Flood. Totally complete? Boy, you are doing it.

Dr. Bell. That is making it complete. A candidate could receive something out of our student assistant program. It wouldn't be a duplication, but there would be some.

INTERIM BUDGET

Mr. Flood. You want $13.1 million for the interim period between July 1 and September 30, 1976.

How did you arrive at that figure? Did you pick it off the left field wall or what?

Dr. Martin. It came from really four sources. The research and demonstration program, the media services captioned program, the early childhood program, and the specific learning disabilities program. It was based on the assumption about how much money would be available for a 3-month extension. That would have to be modified if I am not mistaken. Mr. Miller might say that, because of the product of the rescission business.

The other part represented projections on our part of how many projects we would ordinarily commit during that time.

Mr. Flood. Will those funds be obligated during the interim period?

Dr. Martin. They should be; yes, sir. They are available.

Mr. Flood. Will they be obligated during the interim period?

Dr. Martin. Yes; that is our plan.

Mrs. Beebe. May I?

Mr. FLOOD. Yes. We are all mixed up just like you are in this interim period.

What about this one? It is a can of worms.

Dr. MARTIN. It is.

Mrs. BEEBE. $2.6 million of our estimate for the interim budget was prepared in error. In our searching to try to understand the interim budget we overestimated the amount that would be needed for education of the handicapped in the interim budget. We will be shortly correcting our position on that, so we will not be obligating all of those funds. We will be $2.6 million short of that.

I wonder if I might interrupt.

Mr. FLOOD. I know what you were going to say. Go ahead.

You are not a beginner. As I say, if any of you people want to sound off on these things, don't wait for the boss to put the finger on you. Go ahead. This is no jury trial. Go ahead.

Dr. BELL. Just watch what you say.

Mr. FLOOD. Maybe she is the boss, I don't know.

Dr. MARTIN. You are getting closer.

TEACHER TRAINING

Mrs. BEEBE. We have a program called the urban rural school development projects, and some of those projects are training teachers of handicapped children.

In addition, our career opportunities program, which is a demonstration, has trained teachers of handicapped children.

Also under the State grant program in handicapped and in vocational education, it is quite conceivable that teacher training for handicapped children will be ongoing, so the complete record of activities, where teachers for the handicapped either in the regular classroom or in special education may be trained, includes the State grant program in vocational education and handicapped as well as the specific training program under education of the handicapped, the urban-rural program, teacher corps, our general student aid, and possibly programs in health, I believe.

Dr. MARTIN. These however are incidental, small activities—not their main focus. Other than the Education of the Handicapped Act, there is no training program with this basic purpose.

INTERIM BUDGET OBLIGATIONS

Mr. MILLER. My turn, Mr. Chairman.

Going back to the 3-month budget.

Mr. FLOOD. Yes, go back to it. I never heard it called that before. I have heard it called everything else. I couldn't quote some of the things, but go ahead.

Mr. MILLER. One thing I would like to make clear as a general proposition is that we will obligate the funds that are requested in those 3 months.

Mr. FLOOD. That is what I want to hear.

Mr. MILLER. Because if we do not need funds during those 3 months, and we don't normally obligate them during the first quarter we haven't put them in the budget. But the interim budget is based on the fact that those are the funds that we need to obligate in the first 3 months.

Mr. Flood. Every time I think we are having trouble with this thing I think of a poor fellow like you, and I can appreciate the problems you must be having.

Mr. Michel?

CHILD AGE QUALIFICATIONS

Mr. Michel. Thank you, Mr. Chairman.

What are the age limits of the children who qualify for handicapped programs under your shop: from what age to what?

Dr. Martin. The upper limit, Mr. Michel, is 21. The lower limit has never been prescribed by the Congress. We have in some instances supported programs for youngsters as soon after birth as they could be identified. For all practical purposes though there are few programs that begin before age 3, other than in our model preschool authority, where we are encouraging the development of infant programs where parents work with the infants.

Mr. Michel. And there are no economic eligibility requirements for any children participating under your program?

Dr. Martin. That is right.

Mr. Michel. Rich, poor, all are treated equally alike?

Dr. Martin. Yes.

RESEARCH AND DEMONSTRATION

Mr. Michel. There has been a fairly significant increase provided in the budget for research and demonstration programs as well as in the overall category of innovation and development.

At what stage are we now in trying to find the best approaches for educating the handicapped? How much longer do you think we need to have research in this regard?

Dr. Martin. We are making a lot of progress in this area. There is only a $1 million increase by the way in our R. & D. activity, Mr. Michel. The budget category includes several different model programs which are really model service programs, like the preschool and learning disabilities, but what the committee calls research and development is limited to our research project grants for which we have asked about $11 million. That is a $1 million increase.

The most encouraging things we have been doing with that program, I mentioned a couple of examples, this morning which I won't go back over, is basically trying to provide teachers with materials that they can use to educate children better.

We have had a number of curriculum development projects, for example, teaching arithmetic to retarded children, teaching reading to retarded and deaf children, teaching science to retarded children, and so forth. We have built packages of these materials, all of which are now attractive, I might say, commercially, and all of which are being sold and returning a royalty in part to the Government to help offset the costs originally put into them.

INDIVIDUALIZED ATTENTION

The second kind of thing we are doing is this: We are studying how the teachers behave. For example, I mentioned a moment or two ago that I had lunch with the school superintendent and talked with him about his program. What he has said to me is something I have said to this committee before. As they start to try and individualize attention on handicapped children, to really look at the child, see what his learning needs are and design a program for him, what it is doing is changing the nature of how they deal with all children.

They are finding that the normal child has a great need for that kind of individualized approach too, so surprisingly enough much of the material that we have developed for handicapped children is now found useful for nonhandicapped children as well, not only by the way in this country but in a number of countries.

I will read a paragraph from a letter I got from the Merrill Publishing Co.'s director of the social studies section. He says,

> The reception for your new curriculum project has been astounding. We have received few negative comments. We have already delivered over 800 kits. We have had an order of 500 kits from the State of Oklahoma for their kindergarten preschool nonhandicapped youngsters.
>
> The program has not only been sold for special education areas but preschool, kindergartens, and primary social studies. We have sales and requests now from France, Germany, Israel, Norway, England, and Australia.

This kind of thing is really practical. It is the kind of thing this committee has urged us to do over the years, to focus on how to really teach these youngsters, and to give the teachers something they can work with. We have been I think very fortunate in having the kind of people in the field who can develop those materials, and they are useful.

Mr. MICHEL. You speak of only a $1 million increase but that makes a total of $11 million. If this were in an item other than handicapped children, if it were for the National Institute of Education or something like that, more broadly based, this committee would probably be raising all sorts of complaints over the amount of R. & D., but because it is for handicapped children it is accepted.

MEDIA SERVICES AND CAPTIONED FILMS

In the media service and captioned films category, there is an increase of $3 million to a total $16 million, which is a very significant amount. The justification indicates that "support will be given for marketing and implementation."

What right does the Federal Government have to subsidize the marketing of these? Isn't that what private industry does, after you once show them what ought to be done? Why are we in the business of marketing these things?

Dr. MARTIN. That is a good question. I think the answer to it is this: For example, here is a package of materials that was developed by the research program called Tips for Teachers. This particular one is on using volunteers in the classroom.

Mr. FLOOD. Is that the one you were talking about this morning?

Dr. MARTIN. This is a different one. I might have showed this too this morning. Yes, sir, I did. It is a package of materials that involves a film strip, a cassette, and little books to show teachers how to make better use of volunteers.

You might say why is that necessary? Well, it is necessary because as we have asked teachers what kind of help they need, they say, When we get aides or volunteers, we really don't know what to do with them. We don't know how to use them so we let them do babysitting or this, that, and the other thing.

As a product of the research program, actual classroom research, they discovered a lot of ways parents could be helpful.

Mr. MICHEL. How about the universities that are teaching all these handicapped teachers that we are funding and supporting? Do they use those?

Dr. MARTIN. That is where the marketing comes in.

Mr. MICHEL. Then why do we have to fund the marketing of that? Isn't private industry making a profit on the distribution and manufacture of those things?

Dr. MARTIN. For most of our projects that have a large scale audience, private industry is doing the job. As I mentioned the six curriculum projects all have been picked up and we will not be doing marketing on them. But there are some items like this, where the market is too small, even though it is 300 or 400 colleges that might be involved, to encourage a private industry to do it.

MARKETING AND IMPLEMENTATION

What we are talking about by marketing really is that we want to be able to make available some of this research benefit to people who should use it, like the colleges, universities, and other teacher-training agencies. If we don't do it, it sits on the shelf and you very likely could say to us as people have said, "You have got all this research sitting up on the shelves. Why don't you get it out into people's hands?"

The other thing I mentioned this morning, I submitted for the record a booklet, an evaluation. There are some here by the way. If any member would like to have one, I have got some extra copies.

This is a piece of technology. It is the newest kind of technology, the kind that has 400 transistors built into a thing the size of your fingernail, and it reads print. It is an optical scanning device growing out of the space age. It will convert that print into an impulse that a blind person can feel.

Those products are now available and they cost $3,450. We would like to see them in every school that trains teachers of the blind. We would like to see them, one or two at least, in each State school for the blind. Yet the individual purchasing power of the schools, and so forth, is not going to do this, and here is this equipment waiting to be used.

What we feel we might be able to do is to buy some of those products, and then give them to those training institutions and State schools for the blind. And, at the same time, by making a mass purchase we will contract to reduce the general costs so it will be available to blind citizens at a lesser cost.

That is the kind of thing we want to do by way of marketing. Here are the research products. They may not have a massive enough appeal. One of our machines, for example, that has been extremely useful, a typewriter interface that would help very seriously handicapped people type. IBM has looked at it as have others. They are not convinced there is really a market for it, and yet here is something in which the Federal Government has invested, rehab and ourselves, a couple of million of dollars in developing. We want to see them get out to schools for the handicapped.

We will not be marketing products where they will be in support of a large industry.

SPECIAL EDUCATION MANPOWER DEVELOPMENT

Mr. Michel. Let me turn to special education manpower development.

There is $39.75 million, an increase of $2 million, for State education agencies in training special education personnel, teachers and students.

How many universities do we have which are giving special instruction here to the handicapped?

Dr. Martin. We are supporting about 300, Mr. Michel, and there are another 100 or 150 around the country we are not supporting.

Mr. Michel. Is this assistance to the student himself?

Dr. Martin. It is both. Originally this program gave fellowships to individuals and a matching grant to the school. Years ago we discovered that if we would allow the institution to have a block grant, in which they specified how they would use the funds and how many people would participate in it, we could get more mileage from it.

By doing that, for example, we dropped the average cost from $2,500 to $1,500, and thereby served that many more students, as participants in the program, and we have that in the table in the budget.

Mr. Michel. Do we have undergraduate students participating at all in this program?

Dr. Martin. The undergraduate students only on rare occasions receive any financial assistance. Some of the colleges and universities, for example, may hire a person to start a new course in severely handicapped and undergraduate students will take that course, but we do not ordinarily subsidize undergraduates in this program.

Mr. Michel. But then those going into post-graduate work, all leading toward a graduate degree, are they not——

Mr. Martin. A master's degree, or else in many instances certification requirements, but many States require a teacher to have a certain number of hours of special education.

Mr. Michel. There is a shortage of handicapped teachers, and they have a job waiting for them at the end of the road, no question about it. We have a shortage of supply.

Are they contributing anything on their own to their advanced academic training, or are they expecting the Government to put up all the freight for that?

Mr. Martin. Our average support is $1,500 for a person in that kind of training. I think, as you know, that is not full support. There is no salary.

SERVING NEW CHILDREN

Mr. Michel. Now the budget justifications for the State grant program indicate that the $50 million requested will serve 250,000 handicapped children and 2,200 projects.

Will these be new children served through new projects or will many of the projects be continuing projects involving many of the same children?

Mr. Martin. Some of each.

Mr. Michel. How many absolutely brand new people are we bringing into the program in total?

Dr. Martin. I think the majority of people who will be funded under this program will be new children. The State still has the option of deciding, Mr. Michel. That is why I can't give you an exact figure, but the Congress, in amending the Education to the Handicapped Act this year, said the State must give first priority to unserved children.

What that means is that in every instance we will be urging the States to have continuing projects picked up under State and local funds, and to use these funds for new children. However, in some instances in some communities they are going to be saying to us "We don't have the money. The legislature hasn't appropriated any funds and we have these children. Do you want us to throw these children out and take new ones in?"

My feeling is that there won't be a 100-percent figure of newly served children.

Mr. Michel. I ask you today and I want to followup next year and a couple of other years if I am reelected. We have 7 million handicapped children receiving some form of special education. When do we reach them all?

Dr. Martin. We are tracking this. We have in the justification a chart which shows the growth from 1971 to 1976, in estimated numbers, of children served from 2.6 to 4.3 million. They include future estimates.

Mr. Michel. If we gave you all the money in the world you would still be inhibited in some degree by what the States would not do for themselves.

Dr. Martin. That is true.

Mr. Michel. Under current law?

Dr. Martin. Right. Our posture is that the State has the basic responsibility here, but that we would like to encourage them. I feel society can't and shouldn't tolerate the handicapped children not being educated and anything we can do to bring that about faster needs to be done.

DEAF-BLIND/SEVERELY HANDICAPPED

Mr. Michel. The deaf-blind centers have $16 million here, and there are 3,600 deaf-blind children, according to your figures. That means roughly about $4,500 per student; is that right?

Dr. Martin. That is right.

Mr. Michel. I move on here to the severely handicapped program. There is $3,250,000 requested for severely handicapped.

Are deaf-blind considered to be severely handicapped?

Dr. Martin. Yes.

Mr. Michel. What does this program involve?

Dr. Martin. The deaf-blind program has been a marvelous response to really a catastrophic problem. I remember when this committee put the first $1 million in that program in 1968. It is part of the law that is very specifically authorized for deaf-blind children per se. It cannot serve all types of severely handicapped children and so we have begun this new program.

What has happened since then is that there are other children of whom we are aware who are severely handicapped. Let's say a youngster who is retarded and physically handicapped, cerebral palsied, or let's say a youngster who is autistic.

Mr. MICHEL. How many of those would there be around the country?

Dr. MARTIN. Our estimates would be 1 million seriously handicapped children, the largest number of which are emotionally disturbed, and the severely handicapped youngsters of the physical variety are from 60,000 to 100,000.

Mr. MICHEL. Where does the other money come from to take care of all these children's problems? Taking care of 3,600 costs $16 million and you have $3.75 million. You are talking about how many people?

Dr. MARTIN. We are not going to follow quite the same assumption with the severely handicapped children as we follow with the deaf-blind children because of those costs, and because we just don't see that it is possible for the Federal Government to extrapolate on that basis.

SEVERELY HANDICAPPED MODELS

What we are doing with the severely handicapped children is to provide models to the States. Your own State and others are among States that are taking youngsters out of institutions for the retarded, and out of institutions for the mentally ill, and saying to the school district in Peoria, "Will you educate these youngsters here in the local community?"

What they are saying to us is "We really don't know how." And so these model programs are like the early childhood models. They are designed to get out and around the country some places that are doing a very good job with severely handicapped youngsters. Then we are going to expect the States to pick up those funds and continue it.

The deaf-blind program really is working in much the same way. We started earlier where there were overwhelming costs and only 100 educational placements in the country. We now have 3,800 listed there, but each year the State's share of that is getting larger. We went through a period where the Federal Government was really the senior partner in this program.

Now we are the junior partner and it is going the other way. For example, the State of Texas has taken over their entire population of deaf-blind children and in the course of 3 years they feel they will be totally self-sustaining. California is moving in that direction.

I would say to you that we are going to use a slightly different strategy for the broader population, which is the catalytic, the model strategy. In the deaf-blind we try to make a commitment to each youngster, and it has been a successful one and we are going to try to carry it out.

EARLY CHILDHOOD EDUCATION

Mr. MICHEL. Let me move to early childhood education.

You are requesting $22 million, and then you speak of stimulating State services to the estimated 1 million preschool handicapped children.

Dr. MARTIN. Yes.

Mr. MICHEL. Then this $22 million, which is an increase of $8 million over last year's level, will support 187 demonstration and 56 outreach projects directly impacting on 59,000 students.

That breaks down to less than $400 per student, but what is the significance of your mentioning 1 million there? Does that mean we are only serving 59,000 out of the 1 million, and then we have to multiply that much more, if we are going to touch them all? What is the significance of the two different population counts?

Dr. MARTIN. The total population out there is 1 million. That is the goal for the country. There are 1 million youngsters out there who need special education.

Mr. MICHEL. Who determined that?

Dr. MARTIN. It is the sum of the best estimates that we have from private agencies, from States and from all of the studies we have done. It is a projection. It is a conservative one, by the way, because we estimate, for example, only half the rate of occurrence of preschool handicapping conditions in the preschool population, as compared to the school age population.

Mr. MICHEL. How many of those million are to be touched with money in this bill, only 59,000?

Dr. MARTIN. Touching involves several different dimensions, Mr. Michel. There will be a smaller number that will receive direct services. There is another larger number that will receive help because our early childhood center projects will go and work with them in the community, and provide them assistance on their own.

As I mentioned to Mr. Flood before, these centers have also been tremendously effective as models, and we are able to find 1,500 other early childhood programs across the country that have already replicated part or all of those centers. I gave some examples before as to that kind of activity, where five or six projects have followed. I could give you some in virtually every State, by the way.

NUMBERS OF CHILDREN AFFECTED

Mr. Michel, the total number of children will be around 100,000 preschool-age children who will be helped by this bill through the model projects, through the grants to the States, and by the spinoff that these projects have generated.

Mr. MICHEL. Is there any concentration of these 100,000 youngsters?

Dr. MARTIN. No; we have had requests from every State. There is a tremendous market for it. This last year, for example, we had $39 million worth of requests and $12 million worth of funds, 450 requests for 100-and-some-odd grants. Where is it going? Let me submit for the committee's records a document. This is the State guidelines for preschool educational programs for the handicapped in Minnesota. It is a direct outgrowth of our grant, as it says on the first page. We made a model grant in Minnesota which the State liked so well for all their hearing-impaired youngsters that they now have expanded it as the model for all preschool education in Minnesota. So they published this guideline which tells local communities how to set up a program, what the rationale should be, what the preschool programing should be, what the laws and regulations are.

It is one of the classical examples of the multiplier effect of a model project influencing the whole statewide thinking in this area.

The reasons you see the big request for early childhood education, are two. One is the enormous need and readiness in the community to take this information and run with it and to spin it out on their own money.

The second is that we get from each kind of project reports from parents and reports from teachers about how much better the children are doing, how much more language they have, how much less special attention they need, how much better they walk. My feeling is that you are going to be saving a great deal of money in long term for special education and rehabilitation, welfare payments in aid to the totally and permanently disabled, if you get in there now and start these programs when they are young.

In this Minnesota project, for example, half the youngsters in the project go to regular educational settings now with tutorial assistance, youngsters who would have gone to the State schools for the deaf at one time. That is a saving of roughly $4,000 to $4,500 per kid.

Mr. Michel. Is that why you have such a significant increase?

Dr. Martin. It certainly is. I think it is the best way the Federal Government can spend its moneys, to get into the ball game in the elementary school years and earlier.

SPECIFIC LEARNING DISABILITIES

Mr. Michel. In this specific learning disabilities program, have we laid out what those specific learning disabilities are for the record?

Dr. Martin. Yes. We can put the Federal definition in the record for you, Mr. Michel.

Mr. Michel. Will you do that?

Dr. Martin. Yes.

[The information follows:]

The term "children with specific learning disabilities" means those children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysyfuncton, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental disadvantage.

Mr. Michel. Here again, of course, the amount requested is $4¼ million. If you are talking about direct impact on 34,500 children, why is it about $100 a child. I would just like to have a little bit more definition of what you are specifically talking about.

Dr. Martin. Yes.

NEEDS ASSESSMENT

Mr. Michel. Reference is made in the justifications to a needs assessment study being conducted this year to determine which States were in greatest need, and to identify the subject of greatest concern.

Do you have any feedback from this study as yet?

Dr. Martin. Is that from under a subprogram? We are doing several needs assessments.

Mr. Michel. Somewhere in the justification you talk of a needs assessment study.

Dr. MARTIN. I will supply that for the record. The place where I think it is, Mr. Michel, and there are several, one has been in the area of research. Another is in the area of media services. We are gathering information on both.

Furthermore, we are asking each State to develop more sophisticated—this is a question Mr. Flood asked me at the beginning of the hearing actually in reference to the GAO audit ways of targeting of funds on the area af greatest need within the State. While that is a State responsibility, we will have workshops and planning sessions with every State to encourage them to use need as a more effective criteria for the distribution of State dollars.

FEDERAL SUPPORT IN TEACHER TRAINING

Mr. MICHEL. Just one final question. I think the other areas have been pretty well covered in the chairman's interrogation. A number of years ago we had a shortage of teachers, and so we had these special stimulants from the Federal Government, loan forgiveness, et cetera, and now we have a surplus of teachers.

We then recognized that in special education, or for taking care of the people with whom you are most concerned, the handicapped, disabled, et cetera, we needed special education courses, specially gifted and trained teachers. We are providing the stimulants to move more into that direction.

How long will it be necessary for us to continue this kind of program before we will have caught up with the shortage, and then could back out of the Federal support for teachers in this very vital field?

Dr. MARTIN. I can't give you an actual year estimate, Mr. Michel, but I think the spirit of your question is that it doesn't seem to us, and we are not assuming, that the Federal program will go on forever by any means.

As I mentioned to you, this year for school age youngsters we have now passed the 50 percent mark in services. There are a number of factors working in our favor that you have just mentioned, one of which is the surplus of teachers, another of which is that society is gradually accepting the responsibility for handicapped kids being educated, and so they are changing some of the basic assumptions for support.

Still another is we have been working with the colleges of education to get them to revise their thinking so that they would train all teachers to know something about handicapped children. They have been extraordinarily reluctant to do that over the years, but we have found that a number of colleges are more interested now, and we are urging them in that direction by giving them a "carrot."

I would hesitate to make a guess, but I would say that if these factors were to emerge: one, if the dollar resources of the States and Federal Government will allow for education for all these handicapped children in the next 5 years, that it will actually pay at the community level; and two, that the increase in enrollments and increase in the Federal programs would tend to peak off at about that same point, then I think we will be able to get out of this, because the capacity will be there.

At the present time, given the GAO study findings and I believe Chairman Magnuson's citation to me the other day about the 90-percent teacher need still existing in special education, we are not ready yet to withdraw. In fact, I think it would be catastrophic if we did, because with the general crunch on college of education budgets, if we suddenly weakened the departments of special education, I think they would fall by the wayside.

We do continue this support, and in line with your thinking we have required each college and university to increase its share of support for the programs.

Dr. Saettler could speak to that or for the record or provide you with some more information on it if you want, but we constantly push them to put these teaching positions on hard money so that the Federal Government can get away and we have been doing that. Where schools haven't done so, we have actually cut them back this year as a way of saying to them, "Look, we weren't kidding around about this. If you are not going to do your part, we are going to have to withdraw some of our funds from you."

Mr. Michel. I am glad to hear that.

Thank you, Mr. Chairman.

Mr. Flood. Mr. Roybal?

HEARING AIDS FOR DEAF CHILDREN

Mr. Roybal. Thank you, Mr. Chairman.

I would like to discuss just briefly with you the education you have provided for the deaf and the hard of hearing.

Dr. Martin. Yes.

Mr. Roybal. I mention this because my daughter is a teacher in a school in which she deals with these handicapped children. I have always wondered whether or not any effort is being made to provide proper hearing aids, adjust them properly and see to it that the child being trained is actually hearing the teacher.

Dr. Martin. That is a question that reflects your daughter's sensitivity to this issue in sharing it with you, because the whole problem of maintaining an upkeep of hearing aids is a very key one.

First of all, the batteries themselves wear out. Aids are delicate instruments and can become out of adjustment, and so there is a constant need, if people are going to be in the training and hearing therapy business, to be able to check those aids and to be able to see that they work.

All too frequently that is a problem, and there have been studies done in which investigators have gone in and done a random survey of children wearing aids and discovered that a third of them weren't working at any one time.

Mr. Roybal. Isn't it your responsibility to address yourself to that problem?

Dr. Martin. Oh, yes, it is, when it is a part of our model demonstration programs. We do not as a general policy supply hearing aids at all, but if you were willing to say to us, for example, I mean if the Congress were willing to say to us, "We want to be sure that the standards of education in the various States are up to a certain point, and we think you ought to go in and assure that where there are hearing programs that they are up to a certain quality," and so forth, then that would be a role somewhat different than the one we now play.

Primarily the State is responsible for that kind of monitoring of the quality of instruction, unless it is a specific Federal project. There we have somewhat more responsibility obviously.

Mr. Roybal. Let's take a specific program in which you are dealing with the handicapped and spending Federal funds to teach them regardless of the condition of their hearing aid. You still must teach the handicapped person who can't hear very well.

Dr. Martin. Yes.

Mr. Roybal. He has a hearing aid.

Dr. Martin. Yes.

Mr. Roybal. Is it then your responsibility to see to it that that hearing aid is working, at least try to determine whether or not that child can hear?

Dr. Martin. It is the responsibility of whoever is running that program to do that. There is no question about that. If a school system or a school district or a private agency serving the hearing-impaired is not doing that, it makes in a sense a partial mockery out of the whole program although there may be other good things about the program.

We don't happen to fund, Mr. Roybal, model projects that address themselves solely to hearing aids but, for example, I mentioned a moment ago a model project for the hearing impaired in Minnesota, and there are many in other States for young hearing-impaired children.

As part of that Minnesota project those youngsters receive amplification. Sometimes the State may purchase it. Sometimes they may be purchased out of medicaid funds. There are a variety of ways they may be purchased, very seldom out of the Federal education budget, but our general surveillance of those programs would include assuring that they were getting first quality hearing services, that they were being trained by trained teachers, that there were audiologists and speech and hearing specialists relating to those programs.

That is the way we monitor Federal programs. We can't, for example, from my small staff, which includes four people in our early childhood area, go into hundreds and hundreds of schools and make sure all the hearing aids are working. The way we try to do that is to call for, in our demonstration projects, professionals whom we know will accept that responsibility, and to monitor the general program to be sure of that quality.

Mr. Roybal. I have visited some classes since I became interested in the handicapped. The biggest complaint I get from trained teachers and with the course being paid for by the Federal Government, is that the child doesn't hear, and the reason he doesn't hear is because his hearing aid is defective.

It seems to me that if we are going to pour all this money into a particular program to teach someone who doesn't hear, that that money is being wasted.

Dr. Martin. It is.

Mr. Roybal. It seems to me someone should have the responsibility of seeing to it that that youngster's hearing aid is properly adjusted and in good working order.

Dr. Martin. We are just touching the tip of an iceberg on this in two ways. I supplied for the record the other day at the request of Mr. Obey numbers of children served and unserved. One of the largest categories of unserved children are the hearing impaired children in the regular schools who are partially hearing. In other words, they are not deaf, still they may require some degree of amplification.

DISTRIBUTION OF HEARING AIDS

The system for the distribution of hearing aids right now leaves a lot to be desired, insofar as maintenance cost. We don't, for example, procure hearing aids centrally in HEW, whereas the Veterans' Administration does. There are economies of scale that are involved in that type system.

The Veterans' Administration has been dispensing hearing aids on a large scale through its audiology clinics since 1955. Currently, over 40 such centers are engaged in this activity and 20 percent of their combined workload is reportedly devoted to hearing aid evaluations. In each of the last several years, these centers dispensed more than 11,000 aids, with close to 3,000 VA-procured aids being dispensed each year by military audiologists or audiologists under contract to the Public Health Service. We should use similar standards for audiology services in all areas of HEW.

There also are requirements for the distribution of aids. HEW has a task force now studying the question: Under what conditions should hearing aids be dispensed? My own feeling is that there should be a requirement for both a physician and an audiologist to be involved, rather than having aids dispensed directly by a person who is in the business of selling aids.

This is an area where you are touching a very sensitive nerve and a very right one. It is lunacy to have a lot of youngsters having hearing aids and no audiologist or no technician in the system to make sure they are working. Everybody is kidding themselves.

Mr. Roybal. I am glad you agree that you can't teach a child who can't hear.

Dr. Martin. Other than stimulating people to speakup, it doesn't do you a lot of good to wear an aid if the battery is not working.

MEDIA SERVICES CAPTIONED FILMS

Mr. Roybal. One other subject you mentioned is the media service and captioned film program.

Dr. Martin. Yes.

Mr. Roybal. You are spending quite a bit of money on it with an increase of $3 million.

Dr. Martin. Yes, sir.

Mr. Roybal. How much is the total then to be spent on that program?

Dr. Martin. On the captioned films part itself?

Mr. Roybal. Yes, sir.

Dr. Martin. I will get you an accurate figure. We have the breakout on it. It will be $3 million on captioned films, and approximately $2 million in the area of associated telecommunications projects. We are doing a good deal with exploring telecommunications as methods of educating deaf and other handicapped children. You may have noticed, for example, one of our projects presents the captioned news at night now on more than 100 stations around the country, and we developed the technology for doing that. We have a grant right now with the Public Broadcasting System to see if they can develop a way to send captions out over a broader range of programs that would not be visible to anyone who didn't have a special adapter on their set.

Right now one of the barriers to captioning television is that there are some people who don't like it, and so there are some advertisers who are going to resist if they are going to chase away part of their audience. We are attempting to develop systems where we can have the captions and not disturb viewers who don't happen to like them.

BILINGUAL CHILDREN

Mr. Roybal. Does this system reach bilingual children?

Dr. Martin. Yes. It is reaching them. In fact we are doing a number of things in captioning bilingually that are of interest, starting with our community service spots, which were the first ones HEW had, other than the bilingual program itself, that were done in Spanish. We are developing Spanish language captions in these programs as well for bilingual deaf youngsters.

We also have one of the telecommunication projects which centers on a bilingual population per se, and which will be a model for other programs.

Primarily we have had the bilingual captioning in Spanish.

Mr. Roybal. Thank you.

Mr. Flood. Mr. Shriver?

COURT ORDERS

Mr. Shriver. I think this has been pretty well covered.

Many of the States are under court orders to provide adequate education for handicapped children as a matter of right.

Are any States in particular difficulty in meeting such court orders?

Dr. Martin. I think all of them are in difficulty to some degree or another. Without mentioning the State——

Mr. Shriver. Why not? Let's mention the States.

Dr. Martin. There are a lot of States that have difficulty in doing that. The nearest unit to us that is not fully in compliance is the District of Columbia. I mentioned a little earlier this moring that they were now in court again. The plaintiffs are asking for a contempt of court ruling on the District because they haven't been able to supply full educational opportunity.

In most States it hasn't hit that second stage court order process yet, but none of the States are saying to us "We have done 100 percent of the job." It is in that sense I was saying this about the court orders.

Mr. Obey mentioned this morning that in Wisconsin officials were telling him they weren't going to be able to do that. Mr. Conte knows that in Massachusetts. There is enormous pressure to do this job, but it is a tremendously costly job. Illinois has had mandatory legislation on its books for some years, but never has fully implemented it. I spoke with the Michigan superintendent at lunch and he was telling me that there are problems.

You know the spirit is willing but the flesh is weak.

PREVENTIVE PROGRAMS

Mr. SHRIVER. You mentioned the Federal efforts to develop preventive programs for the very young.

What is being done?

Dr. MARTIN. I feel in the 8 years I have been involved in sitting on this side of the table that we have never had a more successful program that the Federal Government has funded than these preschool model projects because, first of all, they are accepted with great enthusiasm by the community. They have done a number of things to gather support.

For example, many parents are involved in training their own youngsters now. For years the schools felt the parents couldn't do anything, and here are these preschool projects that come along and enlist the parents in training of the children. It works enormously successfully. The parents feel good about themselves helping their youngsters and the professionals feel good because many more children can be helped. You begin with infants at home, and go forth.

As we go around and get the reports from these projects, they keep telling us, here are some youngsters, I mentioned the one in Minnesota, where we would have had a much more serious educational placement. Now we can have a less serious one. Here are some emotionally disturbed children not acceptable to the schools at kindergarten age. After a year or two in the program they are able to go back into the regular school.

PROJECT SUCCESSES

Last year our reports showed that more than half of the children leaving our model preschool projects actually went into regular educational settings rather than special class settings. It is not Nirvana. It is not going to mean every youngster who gets a preschool education is suddenly going to have his or her handicap lessened, but what we have discovered is that there are many, many handicapping conditions which can be helped, that we previously thought were pretty intractable because we were waiting until age 6 to start.

Let me give you one more example. In Seattle we have an experimental program working with Downs syndrome children, what are often called mongoloid babies. Although most people think of mongoloid children as severely retarded, and they generally are, in some instances they are not. There is a range of ability among mongoloid children but the majority of them are trainable retarded children, around 50 IQ or so.

This project has begun working with the parents of Downs syndrome children beginning in the first month of life. Now some of the youngsters are 3 years of age. Those youngsters that are 3 have only fallen behind in the usual developmental measures by a few months.

We would have expected quite a profound lag, perhaps a year or more in development. This study hasn't been replicated and we are not sure of its findings, but right now it is a tremendously encouraging sign that suggests that even organic and genetic problems, even problems of hearing and language, can be ameliorated if not cured as a result of early intervention programs.

We have one other project, by the way, that I want to mention in the prevention business. We are running an experimental project in

Indiana working with young teenage mothers who would ordinarily be expected to have a very high incidence of handicapped youngsters, based on samplings that were done there. We are attempting to help these young women before they have their babies, and while they are in the process of having them, to see if we can't reduce the number of those children who are going to grow up to be candidates for special education. It is really encouraging to me to begin such preventative programs.

I remember one time when I first reported on this program to Secretary Richardson. He said, "You know all these programs that want to catalyze, is there anything out there to be catalyzed? Maybe there is no response capability." But in this area there has been, as I mentioned to the chairman this morning. We have had more than 1,500 projects that we weren't funding replicate some part of the projects we were funding. There is a capacity for development out there, and it is I think a very good Federal investment, one of the best programs that I have ever seen for that impact through multiplying.

STATE PLAN IMPLEMENTATION

Mr. SHRIVER. I remember earlier in your testimony you said if you had the money, you would put it in State grants. You are proposing to cut this in half. You say that you will take steps to assure the States are implementing plans to guarantee that every handicapped child be afforded an equal opportunity for appropriate education.

What are those steps you are empowered to take?

Dr. MARTIN. We are in an interesting position that your question obviously sheds light on. We are asking the States to do some things. The Federal law requires it. This year the law was amended, and it said, "If a State wants to participate in the education of the handicapped program, it should do the following things." Those things include setting a goal of full services for all handicapped children, setting a timetable for the fulfillment of that goal, and estimating the number of children who need to be served, estimating the numbers of teachers that will be necessary, and estimating the numbers of dollars that will be necessary.

Our steps will be in working with the States to help develop realistic and meaningful plans. It will involve a lot of difficult territory in all honesty. For example, many States have some handicapped children who are the responsibility of mental health agencies or mental retardation agencies, not educational agencies at all. Yet those youngsters need to have educational opportunity as well, and so we are going to have to call upon the States to get information and feed it through the education agencies from these other State agencies, where there may be different requirements, different standards, or different approaches to the problem.

Another area we mentioned earlier is vocational education. We are going to be asking the persons responsible for vocational education in the State to do their planning for the provision of vocational educational services in such a way that it will merge with the Education of the Handicapped Act planning, and we would look forward to vocational education for all handicapped children who need it.

A lot of our work is going to be first of all in the attempt to help make these realistic plans, help the States to get past the hurdles, the barriers of separate administrations, to work toward trying to bring together the vocational planning, the Head Start planning, the mental health planning and so forth, and then there are other requirements in the law as well.

For example, the States have to assure that they are going to provide due process to parents and children in the identification of those handicapped kids.

I see our role as assisting in implementation. I don't think that we can realistically become a regulatory agency. I doubt very much that there will be a herd of people from the bureau going out to harass the States into doing this, although we will keep the pressure on to serve unserved children.

The final problem we will have, we alluded to briefly this morning, is that some States are feeling up against a wall about this, and are already telling us, "You want us to do a lot but you are not doing much to help us." That is really a critical issue; where are resources going to come from?

In terms of the abstract principle of what is right, we know what is right and they know what is right. Congress has authorized us to try and go ahead and implement it.

RECRUITMENT AND INFORMATION

Mr. **Shriver.** Your budget provides only $1 million for improvement of information.

Dr. **Martin.** Yes.

Mr. **Shriver.** What about the States and localities? Aren't they putting a considerable amount into this?

Dr. **Martin.** Part of what this program is doing, one of the reasons we have been so pleased with it, is that it has joined forces with organized parent groups. For example, we are now working with a coalition of parents in Massachusetts to provide information to other parents.

What our center does is hold workshops to encourage parent groups to connect with services. Under this bill, if the committee appropriates the additional money, we will make eight small grants, short-term grants, to help communities establish programs. We have had a great deal of experience running what we call the Special Education Information Center. It is staffed by parents and it is staffed by handicapped persons themselves. They have developed very practical materials. It has been the recipient of a number of awards from various groups concerned with the handicapped because of the practical nature of it.

I might say the "closer look" ads themselves were recognized this year. They won the gold medal of the New York Film Festival for the best public service ads. It is quite a successful program. It is our feeling now that we want to spread it around in several communities, not to provide all the services with Federal dollars, but to be able to give these parent groups, other coalitions, Easter Seal groups and others, the wherewithal to do these things as a partial support and get them into the business and to share with them.

Mr. **Shriver.** Thank you.

Dr. **Martin.** Thank you, Mr. Shriver.

Mr. **Flood.** Mr. Conte?

PARENT GROUP PARTICIPATION

Mr. **Conte**. Thank you, Mr. Chairman.

Would that parent group—you were up there in western Massachusetts—qualify for one of these short-term grants?

Dr. **Martin**. They might very well. In fact, that group is quite unusual in that it is one of the Statewide coalitions with some 25 or 26 different parent groups working together. That is the kind of thing we want to do. There are some other States that are moving in that direction, but we want to capture the private resources here really rather than a governmental program.

One of the reasons that we want to do this is that our own program has improved by about 100 percent, when we got parents of handicapped children involved in running it. They really knew a little bit better than some of us professionals what kind of information they wanted and what kind other parents wanted. This finding led us into the present direction.

SEVERELY HANDICAPPED

Mr. **Conte**. During the fall supplemental appropriation hearings, Doctor, you testified that a major goal in educating the handicapped was the deinstitutionalization of State and local programs.

What progress has been made in providing a more normal educational experience for the severely handicapped children?

Dr. **Martin**. Many States have developed programs designed to deinstitutionalize children. It varies from State to State, but there is a national trend that is increasingly doing just that.

I was asked before why we want these severely handicapped model projects and what purpose they will serve. The real purpose is to do just this, to say to the local school district that has the new responsibility for educating a youngster who was in a State hospital for the mentally retarded, "Here is the way you can do it. Here is how it works in different communities. Here is what they are doing and what is involved." People are coming to us, as they always do when they are faced with a new responsibility saying to us two things: "Can you give us the money?" We may not be able to, but they also say to us: "Even if we had the money, we don't know what to do. Can you help us train teachers?"

Teacher training funds will be focused on the early childhood and severely handicapped. Our regional resource centers working on appraisal and diagnosis of children have a new focus on severely handicapped. These model projects will be out there as actual demonstrations of how it can be done in a local school district.

Under the Federal law there is a new requirement that the States adopt a posture that Mr. Shriver was just asking about, which says that children should be educated as a matter of policy in the least restrictive environment.

What that means is that while it is recognized that for some youngsters you will need a very special environment, for many, you won't; and that the school has the responsibility not just to group children together for convenience, but to try and keep them in as unrestricted an environment as possible, and to move them out of the regular school only where necessary, and out of the special class into a special school only where necessary, and out of the special school into a home program only where necessary.

PLANNING FOR INDIVIDUAL NEEDS

It sort of changes the burden of responsibility and the assumptions of society. Whereas a lot of our education programs for the handicapped and others were more or less organized for administrative convenience, when you come right down to it, now they must be organized more responsively to the individual's needs. I am afraid we have done that a lot in development of big institutions for warehousing people without necessarily meaning to, but that was the net result. That is why it is important to swing back in the other direction.

Mr. CONTE. There is a place up in my district called Belchertown. I don't know if you have ever heard of it.

Dr. MARTIN. I have.

Mr. CONTE. It has had a great controversy in the last couple of years. I visited it this fall. The new director seems to be a very capable individual and he has some really exciting programs. He brought me through there. Men and women have been in there all of their lives, locked up almost in cells. Now he has built these little apartment type buildings, giving them a great deal more freedom. Eventually hopefully he can get them out of there.

Have you looked into that program?

Dr. MARTIN. I have not, but I am delighted to hear that you have. I must say I appreciate your going to that kind of program, because it communicates a reality that I could never express to you in words. That is just great. Some of our projects, and before Mr. Michel was asking about, these research projects, and mentioning that this committee has always felt rather favorably about them, for example, the Parsons State Hospital project in Kansas, are working with just those kinds of young people you were talking about, the young adults and adults who never had any training before and we always assumed couldn't be benefitted.

We sat down trying to teach them step by step, beginning with feeding, dressing, and so forth. Here they came out and were able to do those things. I would be pleased to take a look at it.

STATE HOSPITAL TECHNICAL ASSISTANCE

I am going to ask this year in fact, Mr. Conte, and I have already instructed the staff to begin planning, and I have a staff member assigned to these duties, to run a series of visits to these State hospitals and State institutional programs. We will use our own staff and consultants, with an idea toward providing assistance or suggestions to those hospitals. This is not necessarily going on witch hunts, but really saying, "Look, here are things we know are going on in Massachusetts in Belchertown; here are things going on in Kansas; and here are things that you can do in these programs," and facilitating that kind of communication. It is really sorely needed. Yet there is progress, and there has been a general public awareness of conditions in the institutions, and many, many of them are improving.

Mr. CONTE. I hope you will look at it, because I think the director there is on the right track. I try to give encouragement and any help that I can give. Perhaps you have ideas where I can be helpful.

Mr. Chairman, I wish you could see that hospital. I saw children in there with tremendously high IQ's and yet they had been strapped in their beds all their lives and they had lost the growth of their arms and legs and they were just like animals. It was really a pathetic and terribe thing. They are now changing that whole system there and treating them like human beings, educating them, and hopefully getting them out of there.

AREA LEARNING RESOURCE CENTERS

Mr. CONTE. You stated that another priority was the establishment of an area learning regional resource center to coordinate programs for the education of the handicapped. To what extent has this goal been realized?

Dr. MARTIN. Thirteen area learning resource centers are now in place to provide services to State education agencies and local education agencies to assist in responding to the needs of handicapped children. In addition 13 regional resource centers are now working across the country to aid States and local agencies in developing and applying high quality assessment and diagnostic practices so that children can receive more effective educational programing. While these centers have been established they are still undergoing modifications in their procedures and improving their techniques of dealing with State and local agencies.

Mr. CONTE. Throughout last year's supplemental hearings and your justification for fiscal year 1976, the stress is placed on "capacity building"—improving and expanding State and local efforts to meet the needs of handicapped children, as I understand it. I am concerned that in stressing the need to improve capacity over the long run we may be overlooking the short-term needs of those handicapped children that need an education now to prepare them for adult life. What effort is being made to meet the present needs of the handicapped?

Dr. MARTIN. While it is true that most of our efforts are capacity building in nature, the programs provide many services directly to several hundred thousand handicapped. For example more than 400,000 children will participate in federally supported projects under the State grant program. About 75 percent of all deaf-blind children are being served directly with Federal funds. As a result of model demonstration programs in early childhood education nearly 100,000 preschool will be served. These are just examples of services of efforts being made to meet current needs. In addition, capacity building results in technical assistance and other support services to States and LEA's which permit them to serve additional children.

STATE USE OF FEDERAL FUNDS

Mr. CONTE. What use have the States made of the Federal assistance for education of the handicapped to date?

Dr. MARTIN. States have traditionally used Federal funds to initiate, expand and improve programs for education of the handicapped.

Resources are used to supplement existing State funds. In most cases States are now using Federal resources to serve the previously unserved child.

Mr. Conte. How many handicapped children have been reached?

Dr. Martin. Approximately 225,000 children have been reached as a result of Federal assistance.

Mr. Conte What effort is made to assure that handicapped children genuinely benefit from Federal assistance, and are not merely an enrollment statistic?

Dr. Martin. States make annual reports to the Federal Government concerning the projects they fund and the number they serve. In addition some of the projects are monitored to attest to the fact that enrollment has taken place. The States provide an anual description of activities and results.

Mr. Conte. To what extent have the States improved their ability to educate the handicapped as a result of Federal assistance?

Dr. Martin. States have been increasing the enrollments of handicapped children in educational programs by an average of 250,000 per year over the last 5 years. Many State directors of special education have told us that the Federal resources have acted as seed money or as catalysts to stimulate new services. In addition, programs such as early childhood education, learning disabilities, the regional resource centers and area learning resource centers, as well as the severely handicapped and deaf-blind support have all served to stimulate expansion of State efforts. As an example many States are now including preschool handicapped as part of their school programs where prior to the early childhood program no efforts existed.

COURT DECISIONS AND STATE LAWS

Mr. Conte. Would recent court decisions and the enactment of State laws requiring improved education for the handicapped have had the same effect without Federal aid?

Dr. Martin. No, recent court decisions have served to highlight the problems and bring great pressure on State and local governments to enforce their laws. However, in many places, including the District of Columbia the court decisions have not yet been fully implemented and Federal resources are being used to supplement services at all levels. Some types of mandatory laws are on the books in 45 States—but there is no State now serving all of its children.

STIMULATION EFFECT OF STATE EXPENDITURE

Mr. Conte. To what extent does the Federal effort to improve education of the handicapped stimulate increased financing by State and local agencies?

Dr. Martin. This question would be better answered by an example. In our early childhood model demonstration program, projects in one State which have proven to be successful are replicated by other projects within that State as well as by other States. Funding for these replicated projects is often financed by State and local agencies.

EFFECT OF FEDERAL RESEARCH, DEVELOPMENT, AND INNOVATION

Mr. CONTE. What specific results have been realized from the Federal research, development and innovation effort?

Dr. MARTIN. Examples of significant improvements in the field of education as a result of this Bureau's research, development, and innovation effort are:

1. Set of communication devices which permits severely crippled, nonvocal children to communicate by typewriter.
2. Hearing impaired preschoolers are benefiting from validated materials for teaching manual communications.
3. Six new curricula for education of mentally retarded children are being distributed commercially.
4. Speech impaired children, especially those with articulation and rhythm problems are benefiting from improved therapy techniques.
5. Access of visually handicapped children to educational materials is being enhanced by two devices developed under our support . . . one for low-vision children and one for the totally blind.

USE OF FEDERAL FUNDS

Mr. CONTE. Testimony last year stated that funds released to the States under the State grant program have not been used to replace State expenditures. Is this still true? What guarantee do you have that, especially during the present tight economic situation, States won't attempt to do this in the future?

Dr. MARTIN. Funds released under the State grant program have been used to initiate, expand and improve educational programs for handicapped children. The proposed Federal regulations under which this program now operates requires the States to use the funds only as supplemental resources. Two recent evaluations of the programs plus program impact statements from several States indicate that resources are being used in a manner appropriate to the legislation. We expend a good deal of effort in monitoring the programs; and if necessary in calling for audits where violations are suspected.

LOCAL RESPONSIBILITIES

Mr. CONTE. Last year we heard testimony indicating that many school boards did not view the education of the handicapped children as a problem for which they were responsible. Do your plans for capacity building touch on this problem?

Dr. MARTIN. Our plans for working with the States, under the new Public Law 93–380, will bring us into closer contact with local school boards. In addition, our early childhood education projects and certain other activities have brought us into closer contact with the local people. As we become more involved in our job of administering the provisions of Public Law 93–380 we believe we will have greater opportunity to assist the States in solving some of their local problems.

Mr. CONTE. In your statement, Dr. Martin, you mention legislation passed by Congress last year to require the States to assure education for all handicapped children. With funding constraints and program startup times, I can understand that this is a goal that will not be reached overnight. What effort is being made, though, to assure each handicapped child has the same opportunity to be considered for the existing education programs? When will all handicapped children have an equal chance at receiving the kind of education they need?

Dr. MARTIN. The law makes provision that the States use on a high priority basis the Federal dollars they receive for children who have not been previously served. The prognosis for serving all children, despite the new law, is not particularly good over the short run. Of course some States will meet the needs of all handicapped children within the next few years, but most will not approach full services for many years.

PARENTS

Mr. CONTE. How many parents of handicapped children are being reached? To what extent do parents seek out assistance in dealing with the problem of educating their handicapped children?

Dr. MARTIN. In fiscal year 1975, our operation, Closer Look, provided 50,000 parents with current program information through the Closer Look ads and mailings from the special education information center and reached 150,000 parents with the SEIC newsletter.

TEACHER TRAINING

Mr. CONTE. In trying to develop sufficient manpower to meet the needs of the handicapped, to what extent are you able to draw on the pool of unemployed teachers? Are training programs available for experienced teachers who wish to shift over to educating the handicapped?

Dr. MARTIN. Many of our teacher training programs in the universities and colleges are retraining teachers who either have been in regular classrooms or who could not get jobs teaching nonhandicapped. Many thousands of these people are returning to school to be trained as teachers of handicapped children. In addition we are running programs for regular teachers who now have or will soon have handicapped children in their classrooms. Inservice training programs for regular education teachers are being sponsored by State education agencies under Federal sponsorship.

JOB TRAINING

Mr. CONTE. What emphasis do you place on job training in seeking to meet the educational needs of the handicapped?

Dr. MARTIN. One of the most important, but difficult areas is the one of securing meaningful job training and vocational education opportunities for handicapped children. The Bureau has a major objective to achieve decent career and vocational educational opportunities for these children. We are investing research, demonstration, and training funds in securing these services.

PROGRAMS FOR THE HANDICAPPED

Mr. CONTE. Could you provide for the record a listing of all elementary and secondary education programs directed towards the handicapped. Include the authorizing legislation, authorized levels, and level of appropriations for the past several fiscal years.

Dr. MARTIN. We will be happy to provide such a table for the record.

[The insert follows:]

Appropriation/activity	1974		1975		1976		
	Authorization	Appropriation	Authorization	Appropriation	Authorization	Request	
Occupational, Vocational, and Adult Education							
Grants to States for vocational education							
(a) Basic vocational education (VEA-B)	$ 41,250,845	$ 41,250,845	$ 42,813,945	$ 42,813,945	5/	5/	Bureau of Occupational and Adult Fducation/Division of Vocational, Technical & Manpower Education
Education personnel							
(a) Teacher corps (EPDA, Part B-1)	6/	5,600,000 7/	6/	5,600,000 7/	6/	5,600,000 7/	Office of Commissioner/ Director, Teacher Corps
(b) Other education personnel development (EPDA, Part D)	6/	3,907,000	6/	---	6/	---	BOAE/Division of Educational Systems Development
Total	633,115,778	303,701,778	956,901,594	353,298,444	387,500,000	337,774,162	

1/ Total of $66,500,000 authorized for all Part C activities which, in 1974, included Deaf-blind centers, Early childhood education, and Regional resource centers.

2/ Funds for Severely handicapped projects are requested under Part C, section 621; however, the authority used to operate these projects is derived from section 624 of the same part. Funding for section 624 projects may originate in any section of Part C which has specific authorizations.

3/ Total of $103,500,000 authorized for all Part D activities, which include Recruitment and information and Special education manpower development.

4/ This amount is all that can be identified from the Consolidation program.

5/ To be proposed for later transmittal under new legislation.

6/ Total of $450,000,000 for Education Professions Development Act.

7/ Estimated 15% of total appropriation. Teacher Corps trains teachers to cope with all children and problems in the regular classroom, which can include handicapped children.

ELEMENTARY AND SECONDARY PROGRAMS DIRECTED TOWARD THE HANDICAPPED

Appropriation/activity	1974		1975		1976		Responsible Administrative Division
	Authorization	Appropriation	Authorization	Appropriation	Authorization	Request	
Education for the Handicapped (EHA)							
State Assistance							
(a) State grant program (Part B)	$220,000,000	$ 47,500,000	$666,312,150	$100,000,000	$100,000,000	$100,000,000)	Bureau of Education for the Handicapped (BEH) Division of Assistance to States
(b) Deaf-blind centers (Part C, sec 622)	66,500,000 1/	14,055,000	15,000,000	12,000,000	20,000,000	16,000,000)	
(c) Severely handicapped projects (Part C, sec. 624)	2/	2,247,000	2/	2,826,000	2/	3,250,000)	
Innovation and development							
(a) Early childhood education (Part C, sec. 623)	1/	11,331,000	25,500,000	13,330,000	36,000,000	22,000,000)	BEH/Division of Innovation and Development
(b) Specific learning disabilities (Part G)	31,000,000	3,250,000	10,000,000	3,250,000	20,000,000	4,250,000)	
(c) Regional vocational, adult, and postsecondary programs (Part C sec. 625)	---	---	1,000,000	575,000	Indefinite	2,000,000)	
(d) Research and demonstration (Part E)	45,000,000	9,916,000	15,000,000	9,341,000	20,000,000	11,000,000)	
Media and resource services							
(a) Media services and captioned films (Part F)	20,000,000	12,922,000	18,000,000	13,000,000	22,000,000	16,000,000)	BEH/Division of Media Services
(b) Regional resource centers (Part C, sec. 621)	1/	5,743,000	12,500,000	7,087,000	18,000,000	9,750,000)	
(c) Recruitment and information (Part D, sec. 633)	103,500,000 3/	500,000	500,000	500,000	500,000	1,000,000)	
Special education manpower development (Part D)	3/	39,615,000	45,000,000	37,700,000	52,000,000	3[illegible],750,000	BEH/Division of Personnel Preparation
Elementary and Secondary Education							
Grants for disadvantaged (ESEA I)							
(a) Handicapped children (Part A)	85,778,000	85,778,000	88,927,175	88,927,175	99,000,000	99,000,000	BEH/Division of Assistance to States
Support and innovation grants							
(a) Consolidation program (ESEA IV-C)	---	---	---	---	---	8,174,162 4/	Bureau of School Systems BSS/ Division of Supplementary Centers and Services
(b) Supplementary services (ESEA III)	20,086,933	20,086,933	16,348,324	16,348,324	---	---	

Mr. CONTE. For the record, I would like to say I didn't realize Dr. Martin had been with the Government and with the agency for 8 years, it seems just like yesterday that he has been coming up to this committee.

Mr. FLOOD. We trained him.

Mr. CONTE. He certainly has done a very, very commendable job and is one of the most dedicated public servants we have and a very capable one.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

EDUCATION FOR THE HANDICAPPED

For carrying out, to the extent not otherwise provided, the Education of the Handicapped Act, [$299,609,000] *$175,000,000: Provided*, That of this amount [$100,000,000] *$50,000,000* for part B shall become available July 1, [1975] *1976*, and shall remain available through [June] *September* 30, [1976] *1977*. [*Provided further*, That of the sums appropriated herein, not to exceed $575,000 shall be available to carry out section 625 of the Education of the Handicapped Act.][1/]

Note: Additional authorizing legislation to be proposed for $500,000 for fiscal year 1976.

For "Education for the handicapped" for the period July 1,1976, through September 30, 1976, $13,100,000.

Explanation of Language Changes

1. The proviso making sums available to carry out section 625 of the Education of the Handicapped Act is not necessary, since sums are specifically requested in this budget for that purpose.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Education for the Handicapped

Amounts Available for Obligation

	1975 Revised	1976 Revised	1976 Advance for 1977
Appropriation	$199,609,000	$225,000,000	$50,000,000
Proposed rescissions.............	-52,500,000	-50,000,000	---
Total, obligations..........	147,109,000	175,000,000	50,000,000

Summary of Changes

1975 Estimated obligations	$199,609,000
Less: Proposed rescission	-52,500,000
Subtotal, 1975 Revised obligations	147,109,000
1976 Estimated obligations	225,000,000
Less: Proposed rescission	-50,000,000
Subtotal, 1976 Revised obligations	175,000,000
Net change	+27,891,000
1976 Advance for 1977	50,000,000*

	1975 Base	Change from Base	1976 Base*	Change from Base*
Increases:				
A. Program:				
1. State grant program	$47,500,000	$+2,500,000	$50,000,000	---
2. Deaf-blind centers	12,000,000	+4,000,000		
3. Severely handicapped projects	2,826,000	+424,000		
4. Early childhood education	13,330,000	+8,670,000		
5. Specific learning disabilities	3,250,000	+1,000,000		
6. Regional vocational, adult, and postsecondary programs	575,000	+1,425,000		
7. Research and demonstration	9,341,000	+1,659,000		
8. Media services and captioned films	13,000,000	+3,000,000		
9. Regional resource centers	7,087,000	+2,663,000		
10. Recruitment and information	500,000	+500,000		
11. Special education manpower development	37,700,000	+2,050,000		
Total, increases	---	+27,891,000	---	---
Total, net change	---	+27,891,000	---	---

* Refers only to the State grant program, for which advance funding is requested.

Explanation of Changes

Increase

A. Program:

1. State grant program--The increase in fiscal year 1976 for school year 1975-1976 will cover the increased minimum State allotments as specified in the Education Amendments of 1974, and will otherwise provide a very slight increase in the total allocated to the States.

2. Deaf-blind centers--The increase of $4,000,000 will provide for the provision of full-time educational services to an additional 800 deaf-blind children ($+3,300,000), and will cover the cost of related supportive services in the regional centers ($+700,000).

3. Severely handicapped projects--The increase of $424,000 will provide for 5 additional projects.

4. Early childhood education--The increase of $8,670,000 will provide for an increase of 27 first year projects, from 25 in 1975 to 52 in 1976 ($+1,932,000), an increase in the cost of continuing demonstration projects for the second and third years ($+3,935,000), funding of 10 new validation projects ($+1,000,000), an increase in the cost and number of outreach projects ($+1,238,000), increased technical assistance ($+265,000), and funding of 20 new grants to State education agencies for support of early childhood coordinators ($+300,000).

5. Specific learning disabilities--The increase of $1,000,000 will provide for 2 new demonstration projects, 1 outside evaluation, and 1 technical assistance project.

6. Regional vocational, adult, and postsecondary programs--The increase of $1,425,000 will provide for 6 new projects in the areas of postsecondary and adult education.

7. Research and demonstration--The increase of $1,659,000 will provide for the expansion of the program through the funding of 10 additional projects.

8. Media services and captioned films--The increase of $3,000,000 will provide for a new marketing and implementation strategy in order to ensure the efficient and effective application of media products by handicapped people; an increase in the number and distribution of captioned films; and an increase in the scope of work of the Area Learning Resource Centers.

9. Regional resource centers--The increase of $2,663,000 will expand the identification, diagnostic, prescriptive, and evaluative, and placement services of the centers for handicapped children.

10. Recruitment and information--The increase of $500,000 will provide for 8 new grants to organize local units in order that they may help parents of handicapped children locate and use special educational services, and 2 new grants to survey recruitment and informational needs, provide technical assistance to the local informational units, and target information on minority populations.

11. Special education manpower development--The increase of $2,050,000 will expand this program with an additional 34 grants which will target on teacher training in the priority areas of early childhood education, education of the severely handicapped, and filling personnel gaps in isolated areas.

Obligations by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Revised1/	Increase or Decrease
	State assistance:				
166	(a) State grant program..........	$100,000,000	$ 47,500,000	$ 50,000,000	$+ 2,500,000
	(1976 Advance for 1977)			(50,000,000)	(---)
169	(b) Deaf-blind centers..........	12,000,000	12,000,000	16,000,000	+ 4,000,000
174	(c) Severely handicapped projects..	2,826,000	2,826,000	3,250,000	+ 424,000
	Innovation and development:				
178	(a) Early childhood education.......	13,330,000	13,330,000	22,000,000	+ 8,670,000
182	(b) Specific learning disabilities.....	3,250,000	3,250,000	4,250,000	+ 1,000,000
185	(c) Regional vocational, adult, and postsecondary programs	575,000	575,000	2,000,000	+ 1,425,000
187	(d) Research and demonstration.........	9,341,000	9,341,000	11,000,000	+ 1,659,000
	Media and resource services:				
190	(a) Media services and captioned films............	13,000,000	13,000,000	16,000,000	+ 3,000,000
194	(b) Regional resource centers..........	7,087,000	7,087,000	9,750,000	+ 2,663,000
197	(c) Recruitment and information......	500,000	500,000	1,000,000	+ 500,000
200	Special education manpower development...	37,700,000	37,700,000	39,750,000	+ 2,050,000
	Total obligations (1976 Advance for 1977)	$199,609,000	$147,109,000	$175,000,000 (50,000,000)	$+27,891,000 (---)

1/ Reflects requested rescission of $50,000,000 from the 1975 advance appropriation for 1976 of $100,000,000 in the State grant program.

Obligations by Object

	1975 Estimate	1975 Revised	1976 Revised	Increase or Decrease
Travel and transportation of persons	20,000	20,000	23,000	+3,000
Transportation of things	1,000	1,000	1,000	---
Rent, communications, and utilities	5,000	5,000	6,000	+1,000
Printing and reproduction	7,000	7,000	10,000	+3,000
Other services:				
Project contracts	32,909,000	32,909,000	42,971,000	+10,062,000
Supplies and materials	4,000	4,000	5,000	+1,000
Equipment	12,000	12,000	14,000	+2,000
Grants, subsidies, and contributions (1976 Advance for 1977)	166,651,00	114,151,000	131,970,000[1] (50,000,000)	+17,819,000 (---)
Total obligations by object (1976 Advance for 1977)	199,609,000	147,109,000	175,000,000 (50,000,000)	+27,891,000 (---)

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[1] Reflects requested rescission of $50,000,000 from the 1975 advance appropriation for 1976 of $100,000,000 in the State grant program.

Authorizing Legislation

Legislation	1976 Authorized	1976 Appropriation Requested	1976 Advance for 1977 Authorized	1976 Advance for 1977 Appropriation Requested
Education of the Handicapped Act:				
Part B--Section 611, Grants to States......	$100,000,000	$50,000,000	$110,000,000	$50,000,000
Part C--Section 621, Regional resource centers...............	18,000,000	9,750,000		
Severely handicapped projects..............	1/	3,250,000		
--Section 622, Deaf-blind centers.........	20,000,000	16,000,000		
--Section 623, Early childhood projects....	36,000,000	22,000,000		
--Section 625, Regional vocational, adult, and postsecondary programs..........	2/	2,000,000		
Part D--Sections 631, 632, and 634, Special education manpower development...........	52,000,000	39,750,000		
--Section 633, Recruitment and information.................	500,000	1,000,000 3/		
Part E--Research and demonstration.........	20,000,000	11,000,000		
Part F--Media services and captioned films...	22,000,000	16,000,000		
Part G--Specific learning disabilities.	20,000,000	4,250,000		

1/ Funds for Severely Handicapped Projects are requested under Part C, section 621; however, the authority used to operate these projects is derived from section 624 of the same part. Funding for section 624 projects may originate in any section of Part C which has specific authorizations.

2/ Such sums as may be necessary.

3/ Additional authorizing legislation to be proposed for $500,000 for fiscal year 1976.

Education for the Handicapped

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966	28,300,000	28,300,000	28,300,000	28,300,000
1967	37,900,000	37,875,000	37,875,000	37,875,000
1968	53,400,000	53,400,000	58,400,000	52,650,000
1969	84,650,000	78,850,000	78,850,000	78,850,000
1970	85,850,000	100,000,000	105,000,000	84,575,000
1971	94,450,000	104,400,000	104,400,000	104,400,000
1972	104,250,000	109,250,000	110,750,000	110,000,000
1973	131,019,000	157,319,000	180,569,000	157,319,000
1974	131,109,000	143,609,000	159,069,000	147,079,000
1975	147,109,000	184,[illegible],000	224,609,000	199,609,000
1975 Rescission	-52,500,000			
1975 Advance for 1976	50,000,000	100,000,000	100,000,000	100,000,000
1976	125,000,000			
1976 Rescission	-50,000,000			
1976 Advance for 1977	50,000,000			

Justification

Education for the Handicapped

	1975 Estimate	1975 Revised	1976 Revised	Increase or Decrease
State assistance:				
(a) State grant program.........	$100,000,000	$ 47,500,000	$ 50,000,000[1]	$+ 2,500,000
(1976 Advance for 1977).......			(50,000,000)	(---)
(b) Deaf-blind centers.........	12,000,000	12,000,000	16,000,000	+ 4,000,000
(c) Severely handicapped projects.	2,826,000	2,826,000	3,250,000	+ 424,000
Innovation and development:				
(a) Early childhood education.......	13,330,000	13,330,000	22,000,000	+ 8,670,000
(b) Specific learning disabilities....	3,250,000	3,250,000	4,250,000	+ 1,000,000
(c) Regional vocational, adult, and postsecondary programs....	575,000	575,000	2,000,000	+ 1,425,000
(d) Research and demonstration...	9,341,000	9,341,000	11,000,000	+ 1,659,000
Media and resource services:				
(a) Media services and captioned films...........	13,000,000	13,000,000	16,000,000	+ 3,000,000
(b) Regional resource centers.........	7,087,000	7,087,000	9,750,000	+ 2,663,000
(c) Recruitment and information.....	500,000	500,000	1,000,000	+ 500,000
Special education manpower development	37,700,000	37,700,000	39,750,000	+ 2,050,000
TOTAL	199,609,000	147,109,000	175,000,000	+27,891,000
(1976 Advance for 1977)...			(50,000,000)	

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[1] Reflects requested rescission of $50,000,000 from an appropriation of $100,000,000.

General Statement

The commitment undertaken by the Federal government for education of the handicapped is not intended to provide complete per-child costs of educational support. Instead, the programs administered under this appropriation have been designed to act primarily as catalysts to bring about changes in educational patterns in the field by initiating demonstration and model programs and by encouraging innovative techniques and practices. These strategies were developed specifically to use the limited Federal financial resources and manpower to effect significant changes in the quality and effectiveness of much larger and more direct programs being conducted by State and local educational agencies.

To expand this type of capacity-building strategy and stimulate a cooperative Federal-State effort, this appropriation request includes increases in each of the discretionary programs, and requests an amount of $50,000,000 for the State grant program in order to maintain the level of Federal support for direct educational services to the handicapped. The earlier request for rescission of funds appropriated for the State grant program assumes the same philosophy, i.e., that the support of direct educational services to the handicapped is a State and local responsibility. This budget is presented based on comparisons of our new request with amounts revised to reflect our requested rescissions of $57,500,000 in 1975 and $50,000,000 in 1976 in the State grant program.

Federal education programs for the handicapped have been designed to bring the State and local governments closer to the achievement of the goal that every handicapped child be assured of an appropriate education through competent personnel. The areas of highest need at the present time are in encouraging career educational training for the handicapped that is both relevant to the job market and to their and to their career aspirations; in increasing the availability and quality of early childhood education; and in developing and disseminating educational programming opportunities for the severely handicapped to enable them to become as independent as possible, thereby reducing their requirements for institutional care.

Manpower needs

Programs in over 300 training institutions have been developed and are producing quality teachers for the handicapped. Fifty State education agencies and four education agencies of the outlying territories are working in partnership with the Federal government to upgrade the competency of people already in the field. The emphasis is upon continuing to strengthen and reform programs, and training people who are not directly supported by Federal funds; and more importantly, preparing leadership personnel who in turn will begin new training programs.

,At the present time the demand for additional special educators is just being met, with the help of Federal funds; however, teachers in existing special education programs, and in regular school programs that integrate the handicapped, too often are untrained in the special skills they need to do an effective job. New programs for preschool children and children with multiple handicaps also lack trained manpower.

Research, innovation, and demonstration programs

In research, support is needed to continue current research and demonstration projects, to expand projects in curriculum research, and to solicit projects dealing with the most critical issues in the areas of early childhood education, career education, personnel development, and education of the severely handicapped. In the area of projects for the severely handicapped, regional centers for the deaf-blind are in operation, and a significant new Federal initiative will help establish a National priority for other severely handicapped children. Demonstration projects seen under this program will aid in bringing services to the unserved child and developing models for deinstitutionalizing many of the severely handicapped.

As a result of this Federal concern we expect to see increased access to, participation in, and expansion of specialized programs for severely handicapped children at the State and local levels.

Model demonstration centers and leadership training institutes will provide and demonstrate model service, train personnel, and develop research responses for dealing with the problems of specific learning disabilities. The increased funding of early childhood education projects recognizes the continuing and growing demands for special emphasis to demonstrate diagnostic services and educational assistance for handicapped children of pre-school age. Research evidence has shown that early educational intervention results not only in more lasting benefits, but also relieving the tendency of a handicap to become an educational disability. Priority plans in early childhood education will be developed on an individual State basis, and projects will be funded according to State needs.

Career educational needs of the handicapped are addressed in various components of a number of programs, and are highlighted in the postsecondary adult and vocational programs serving multi-State areas. These projects demonstrate the modification of existing facilities and programs for the non-handicapped, so that the handicapped person can participate.

Media and resource services

An area of continuing effort is that of adaptation of instructional materials developed for the deaf for use by children with other handicaps, and the development of new and appropriate equipment to educate and offer cultural contact to persons in all handicapped areas. The National Center on Educational Media and Materials for the Handicapped will adapt, develop, and disseminate appropriate materials and devices. A new marketing and implementation strategy will be developed for successful curricula, film, television, and other educational technology products and aids. The Regional Resource Centers are coordinated with the Area Learning Resource Centers to develop a learning resource system that will be a facilitating component for the States delivery of special education services to handicapped children. One significant new effort will be the promotion of the development of direction centers which will assist parents and professionals alike in identification, screening, evaluation, and prescription of appropriate educational programs for handicapped children.

In addition, funds are required for dissemination of information to parents about available resources for the handicapped. This information would help parents of handicapped children contact service resources of all dimensions.

Technical assistance

To enhance State capacity-building activities, an active technical assistance program is maintained. Also, extensive monitoring of State programs receiving Federal funds is required by law to insure compliance with all laws relating to the civil rights of handicapped children. The combination of technical assistance and monitoring activities will help assure that all States implement plans for promoting full educational opportunity for all handicapped children, regardless of the severity of their handicap.

	1975 Estimate	1975 Revised	1976 Estimate	1976 Revised
1. State assistance:				
(a) State grant program (1977 Advance funding)...............	$100,000,000	$47,500,000	$100,000,000 (50,000,000)	$50,000,000

Narrative

Program purpose

In order to assist in the initiation, expansion and improvement of programs and projects for the handicapped at the preschool, elementary, and secondary levels, this program, authorized by Part B of the Education of the Handicapped Act, provides non-matching grants to the States and outlying areas. These grants are meant to serve as a catalyst to promote increased programming for children on a comprehensive basis involving various Federal programs and local resources, in order to provide full educational opportunities to all handicapped children.

In fiscal year 1975 only, funds are allocated to the States on the basis of the number of children in each State aged 3-21, multiplied by $8.75, ratably reduced. This distribution is different from that applied to 1974 funds, yet provision is made so that no State will receive less than its 1974 allocation. In fiscal year 1976 and 1977 funds will be allocated and distributed to the States in proportion to their age 3-21 population, with a minimum $300,000 grant, an increase over the minimum of $200,000 allowed in 1974 and previous years.

Since this program became advance-funded as a result of the 1975 appropriation, which provided funds for both fiscal year 1975 and 1976, the amount now requested will fund fiscal year 1977, covering school year 1976-1977.

This budget reflects acceptance of a requested rescission of funds appropriated for 1975 and for the 1975 advance appropriation for 1976. The amount of the rescissions are $-52,500,000 in 1975 and $-50,000,000 in 1976.

Plans for fiscal years 1976 and 1977 (School years 1975-1976 and 1976-1977)

Funds requested to cover school year 1976-1977 will directly serve 250,000 handicapped children in 2,200 projects. This will maintain program operations at the fiscal year 1976 level. Previously undertaken needs assessment activities will permit the narrowing of Federal objectives for this program, beginning in school year 1975-1976, to concentrate on serving the more severely handicapped child, the need to serve the more isolated child, and the need to expand and improve early childhood education. This narrowing of goals will add to the States' ability to assure all handicapped children full educational opportunity.

The Education Amendments of 1974 have increased the requirements on State education agencies in their plans for serving handicapped children. Beginning with fiscal year 1976, any State, in order to receive funds under this program, must establish the goal of providing full educational opportunities to all handicapped children and provide for a procedure establishing a goal, timetable, and description of facilities, personnel, and services necessary to assure that State grant funds be expended to accomplish this goal, with priority given to handicapped children not receiving an education. In addition, each State must provide procedures 1) to insure that handicapped children and their parents be guaranteed procedural safeguards in decisions regarding identification, evaluation, and placement; 2) to insure "least restrictive placement"; and 3) to insure that the processes used for classification and placement be racially and culturally nondiscriminatory.

Implementation of these State plans will require increased Federal technical assistance, more precise planning at the State level, and greater coordination of Federal, State and local funds.

Accomplishments for fiscal years 1974 and 1975 (school years 1973-1974 and 1974-1975)

In school year 1973-1974, the State grant program directly served 225,000 children. The program also strengthened the linkages of the discretionary programs authorized by the Education of the Handicapped Act to the formula grant program, and increased State and local services for the education of the handicapped by focusing on the objectives of 1) providing quality services to the minority handicapped child 2) bringing full service to rural and inner city populations 3) solving inter- or intra-State problems that inhibit service delivery, and 4) supporting reentry of handicapped children into the regular classroom.

In school year 1974-1975, 250,000 children were served directly in nearly 2,000 projects. In addition, the program conducted a needs assessment to determine which States were in greatest need and to identify the subjects of greatest concern.

SUPPLEMENTARY FACT SHEET

State Grant Program

Seven million children (one million of preschool age) are handicapped by mental retardation, speech problems, emotional disorders, deafness, blindness, crippling conditions, or other health impairments that will cause school failure, emotional problems and retarded development unless special education procedures are available to them. At present, about 50 percent of school aged handicapped children are receiving special education, and in some States less than 25 percent of such children are receiving this help. Approximately one million of the unserved are totally excluded from any educational programming. Hundreds of thousands of handicapped children are misplaced or mislabeled.

INCREASE IN NUMBERS OF CHILDREN RECEIVING SERVICE AS REPORTED BY STATE EDUCATION AGENCIES 1971-1974

School Year	Number Served[1]	Increase Over Previous Year	Percent Increase
1971	2,643,000	196,000	+8%
1972	2,858,000	215,000	+8%
1973	3,160,000	302,000	+11%
1974	3,510,000	350,000	+11%
1975(est.)	3,910,000	400,000	+11%
1976(est.)	4,340,000	430,000	+11%

1/ As a result of all sources of support; i.e., Federal, State and local.

DIRECT IMPACT

Fiscal Year 1973 - $37,500,000
- School Year 1972-73: 177,000 children

Fiscal Year 1974 - $47,500,000
School Year 1973-74: 225,000 children

Fiscal Year 1975 - $47,500,000
School Year 1974-75: 250,000 children

Fiscal Year 1976 - $50,000,000
School Year 1975-76: 250,000 children

Fiscal Year 1977 - $50,000,000
School Year 1976-77: 250,000 children

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
1. State assistance:				
(b) Deaf-blind centers.....	$12,000,000	$12,000,000	$16,000,000	$+4,000,000
New awards.............	$12,000,000	$12,000,000	$16,000,000	$+4,000,000
Number...............	10	10	10	---

Narrative

Program purpose

In order to provide appropriate educational and diagnostic services for the estimated 5,000-7,000 deaf-blind children, this program, authorized under the Education of the Handicapped Act, Part C, section 622, awards contracts to centers funded for this purpose. The centers also provide whatever ancillary services necessary to assure that deaf-blind children can achieve their full potential useful and meaningful participation in society.

This forward funded program awards contracts to regional centers, which themselves are authorized to sub-contract with State education agencies, State Departments of Mental Health and Welfare, and private agencies for the provision of direct services. The regional centers monitor subcontracts and provide technical assistance, coordination, casefinding and screening.

Plans for fiscal year 1976

In order to provide comprehensive educational services to the 5,000 to 7,000 deaf-blind children, the increased budget for fiscal year 1976 will be targeted on reaching as many children as possible with full-time educational services. Short-term, part-time and other services such as teacher training, parent counseling, diagnosis, and evaluation will be kept level.

In addition to the direct services provided to deaf-blind children and their parents (see tabular material covering fiscal years 1974 through 1976), support services will be continued by the Centers to each of the estimated 300-325 deaf-blind projects funded under this program in 1976. These support activities include technical assistance in the planning, development, and implementation of services; and the development of new service delivery systems on a State and regional basis.

The program will also (1) continue to maintain the Joint National Registry of Deaf-Blind children in cooperation with the National Center for Deaf-Blind Youth and Adults, and (2) distribute a home correspondence course to an additional 1,000 families.

Accomplishments for fiscal years 1974 and 1975

In order to move toward provision of full educational services for deaf-blind children, 400 children were phased out of part-time services in school year 1973-74, into full-time services in school year 1974-75.

In addition to provision of direct full-time and part-time educational services, diagnostic and evaluation services; in-service training for teachers, aides, and other professionals; and support services, the following activities were supported:

1. The Joint National Registry of Deaf-Blind Children was adopted in coopera-

tion with the National Center for Deaf-Blind Youths and Adults.

2. Technical Assistance was provided by the Centers to States for the development of State plans for individual child services. Activity was concentrated on 25 States having over 90% of the deaf-blind population.

3. Vocational Education Needs: In selected regions, the program funded the identification, planning and implementation of pilot projects for deaf-blind children.

4. A national program of temporary assistance was conducted for parents of unserved children through a home correspondence information and assistance program. Home correspondence is followed by visits of staff from the appropriate regional center.

5. A national conference entitled "1980 is Now" on the future needs of the deaf-blind was held in court with other Federal agencies, States and private groups seeking to find alternative ways of serving children and preparing them for adult life.

SUPPLEMENTARY FACT SHEET

Deaf - Blind Centers

Program Year	Fiscal Year 1974 1974-75	Fiscal Year 1975 1975-76	Fiscal Year 1976 1976-77
Appropriation	$14,055,000	$12,000,000	$16,000,000
Centers Funded	10	9	9
-Total funds	$14,055,000	$12,000,000	$16,000,000
-Number of subcontracts	250	250	300-325
Full-time educational services provided:			
-Total funds	$11,400,000	$10,525,000	$13,825,000
-Average/pupil cost	$4,071	$3,759	$3,840
-Number of pupils	2800	2800	3600 est.
Part-time educational services provided:			
-Total funds	$ 600,000	$ 300,000	$ 300,000
-Average/pupil cost	$2,000	$1,000	$1,000
-Number of pupils	300	300	300
Diagnosis and evaluation services provided:			
-Total funds	$ 220,575	$ 75,000	$ 75,000
-Number of children	700 est.	700 est.	700 est.
Parents counseled:			
-Total funds	$ 233,000 1/	$ 100,000 1/	$ 100,000 1/
-Number of parents	3000 est.	3000 est.	3000 est.
In-Service training provided personnel and parents:			
-Total funds	$ 134,380 3/	$ 100,000 3/	$ 100,000 3/
-Number trained	3000 est.	3000 est.	3000 est.
Regional Center Costs for Supportive Services:	$ 1,834,425	$ 1,100,000	$ 1,800,000

1/ Total funds included under full-time educational services.

2/ Actual cost of full-time services is the total of part-time plus full-time. Part-time educational services are available as a result of the allocation of time by full-time staff.

3/ Costs for In-Service Training included in Regional Center Costs for Supportive Services.

SUPPLEMENTARY FACT SHEET

Deaf-Blind Centers

Description of Services

Full-time = school year program

Part-time = summer school, interim intensive care assessment, and programs providing more than 30 hrs./yr. service but not more than 3 days/week per year.

Diagnosis and evaluation = less than 30 hours per year

Population in Need: This program's needs center around the increasing population of deaf-blind children and the shortage of trained personnel to administer educational services. Of the estimated 5,000 to 7,000 deaf-blind children, 4,414 have been identified. Of the children identified, 1,300 are receiving no educational services. An additional 246 children now receiving part-time educational services are in need of full-time educational programs.

Manpower Needs: Pitched against the problem of the growing population of deaf-blind children needing educational services is an acute shortage of trained teacher/teacher-aide personnel. Current teacher training programs are producing 50-70 qualified teachers per year. In order to meet the educational needs of the known population of deaf-blind children, an additional 500-600 teachers must be trained. The same number of supportive teacher-aide staff will also be required.

Non-Federal Contribution: Current estimates show that 50% of the funding for deaf-blind programs comes from State and local governments.

Federal Funding and Location of the Ten Deaf-Blind Centers, FY 1974

1. Watertown, Massachusetts $1,093,750
   (Serves Massachusetts, New Hampshire, Vermont, Connecticut, Rhode Island, and Maine)

2. Bronx, New York.. 2,050,000
   (Serves New York, New Jersey, Pennsylvania, Delaware, Puerto Rico, and the Virgin Islands)

3. Raleigh, North Carolina................................. 1,225,000
   (Serves North Carolina, South Carolina, District of Columbia, Virginia, West Virginia, and Maryland)

4. Talladega, Alabama...................................... 1,122,363
   (Serves Alabama, Florida, Georgia, Kentucky, Mississippi, and Tennessee)

5. Lansing, Michigan.. 1,585,955
   (Serves Michigan, Illinois, Indiana, Ohio, Wisconsin, and Minnesota)

6. Dallas, Texas.. 1,380,697
   (Serves Texas, Arkansas, Louisiana, Missouri, Oklahoma, and Iowa)

7.	Denver, Colorado (Serves Colorado, Kansas, Nebraska, Wyoming, New Mexico, Utah, North Dakota, and South Dakota)	2,019,228
8.	Seattle, Washington (Serves Washington, Oregon, Alaska, Idaho, and Montana)	1,155,548
9.	Sacramento, California (Serves California, Arizona, Hawaii, Nevada, Guam, and U.S. Trust Territories)	2,005,000
10.	Austin, Texas*	417,459
		14,055,000

* Single State Center. This Center serves the whole State of Texas with direct educational services. The Center in Dallas provides only supportive services and technical assistance to the State of Texas upon request, and serves five other States as a regional center.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
1. State assistance:				
(c) Severely handicapped projects..............	$2,826,000	$2,826,000	$3,250,000	$+ 424,000
New awards.............	($ 750,000)	($ 750,000)	($1,094,000)	($+ 344,000)
Number................	6	6	9	+3
Continuing awards......	($2,076,000)	($2,076,000)	($2,156,000)	($+ 80,000)
Number................	10	10	12	+2

Narrative

Program purpose

In order to establish and promote programmatic practices designed to meet the educational and training needs of severely handicapped children and youth, this program, under the authority of the Education of the Handicapped Act, Part C, section 624, awards contracts to develop and demonstrate such practices. The Federal strategy is to eventually cover all States or sparsely populated multi-State regions with demonstrations appropriate to State-wide needs. The ultimate goal in the education and training of the severely handicapped is to make them as independent as possible, thereby reducing their requirements for institutional care and increasing their opportunities for self-development.

Contracts are awarded competitively on a one-year basis, with continuations funded for a second and third year on the basis of a project's effectiveness, replicability of elements, and availability of funds. Eligible contractees are State departments of special education, intermediate or local education agencies, institutions of higher education, and other public and nonprofit private agencies.

The principal problems limiting the delivery of effective educational/training services to severely handicapped children and youth, in those areas where such services are mandated or supported include:

(1) Serious shortage of personnel with expertise and experience
(2) Serious lack of adequate, functional facilities
(3) Lack of appropriate curricula, methodologies, and educational/training programs
(4) Scarcity of specialized materials and equipment
(5) Limited identification, diagnostic, prescriptive, and placement services
(6) General lack of concern for the needs of such persons, as well as the near non-existence of advocate groups functioning in their behalf.

Plans for fiscal year 1976

In order to make the education of the severely handicapped a National priority, funds are being requested separately for this program for the first time in fiscal year 1976. In fiscal years 1974 and 1975 demonstration projects targeted on the severely handicapped were supported with funds from the Regional Resource Centers, Early Childhood Education, and Media Services and Captioned Films. The newly requested funds will continue 12 of those projects and start 9 new ones.

These projects will be comprehensive, State-wide, and focused on the provision of appropriate and required services for these children. The programs are designed to demonstrate the following objectives. To:

(a) facilitate mental, emotional, physical, social, and language development.

(b) encourage parent participation.

(c) acquaint the community with the capabilities and potentialities of the severely handicapped.

(d) facilitate deinstitutionalization to home-based, community-centered intervention programs, as needed on an individual basis.

In addition, through our regular program administration we will be continuing efforts to establish and expand cooperative working relationships with 10 States to assist them in developing a comprehensive program of services to severely handicapped children and youth. These activities will include technical assistance, program guidance and evaluation support to aid the States to develop better "least restrictive" services for these children.

To further the impact on this program, the Office of Education will be validating and disseminating the results so that State and local Education Agencies can begin implementing the findings.

This program will also continue to consult with and help coordinate Bureau-wide efforts on behalf of the severely handicapped, in fields such as research and demonstration, media development, and teacher training.

Accomplishments for fiscal years 1974 and 1975

In late fiscal year 1973 and during the first half of fiscal year 1974, the Bureau of Education for the Handicapped adopted a working definition of severely handicapped children and youth, and defined the objectives of a program to impact on this poorly served population. To meet the needs of the target population in a more focused manner, 10 contracts were awarded which provided, in conjunction with relevant public and private agencies within a State, (a) a comprehensive service plan; (b) a replicable model demonstration program providing direct services; and (c) a strategy to widely disseminate exemplary projects and project elements to professional and nonprofessional personnel.

In fiscal year 1975, the 10 projects were continued for a second year and 6 new ones were funded. The six new projects focused on children with the following as primary handicapping conditions: (1) aural impairment, (2) emotional disturbance, (3) orthopedic impairment, (4) visual impairment, (5) profound retardation - birth through early childhood, and (6) profound retardation in youth.

SUPPLEMENTARY FACT SHEET

Severely Handicapped Projects

Because of widely differing definitions of severely handicapped children used throughout the states and because of the general lack of information regarding their whereabouts and diverse needs, statistics concerning such children and youth are understandably imprecise. However, the following data has been developed to provide a general index as to the intensity of the problem facing educators of the severely handicapped: .

ESTIMATED NUMBER AND TYPES OF SEVERELY HANDICAPPED CHILDREN*

Type of Handicap	Total Children Ages 0-19	Children Receiving Some Services	Children Receiving No Services
Severely and Profoundly Mentally Retarded	460,000	230,000	230,000
Deaf-Blind	5,064	3,832	1,232
Multi-Handicapped	40,900	9,310	31,590
Seriously Emotionally Disturbed (Autistic and Schizophrenic)	900,000	109,000	791,000
	1,405,964	352,142	1,053,822

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* Based on Fiscal Year 1973 Projected Activities Documents (OE 9016) submitted by States and Territories, and data from Fiscal Year 1972 PL 89-313 and Part B, EHA Project Reports contained in the Aid to States Information System.

PER-PUPIL ANNUAL COSTS

Of the 1,405,964 severely handicapped children, 352,000 are receiving services from Federal, State, local and private sources. The estimated average per-pupil annual costs for the provision of appropriate educational training services to severely handicapped children and youth is shown in the following table:

	Training/Educational Setting	Educational/Clinic-Type Setting
Severely and profoundly mentally retarded	$6,500	$10,000
Deaf-Blind	9,000	15,000
Multi-handicapped	8,000	12,000
Seriously emotionally disturbed	7,000	11,000

Status of State Legislation

One of the principal causes for this lack of adequate service benefits to the severely handicapped, appears to be the lack of appropriate legislation making educational and related services to such persons mandatory or at least highly suggested. Currently, only five States (Maryland, Missouri, Montana, North Carolina, and Tennessee) have specifically mandated services to severely handicapped children and youth. An additional 23 States' legislation implies support for such services, while 13 States' legislation implies lack of support and 5 states do not provide state reimbursement to such efforts (Alabama, Delaware, Georgia, Ohio, and New York--with the exception of New York City itself). The States of Louisiana, and Mississippi have no mandatory special education laws.

Program and Financial Data

	Fiscal Year 1974	Fiscal Year 1975	Fiscal Year 1976
No. of Projects	10	16	21
New	10	6	9
Continuing	--	10	12
Average Cost			
New	$225,000	$125,000	$121,500
Continuing	---	207,600	180,000
Total Cost	$2,246,659	$2,826,000	$3,250,000
New	(2,246,659)	(750,000)	(1,094,000)
Continuing	(---)	(2,076,000)	(2,156,000)
Number of children participating in the demonstration projects	701	1125	1500

	1975 Estimate	1975 Revised	1976 Request	Increase or Decrease
2. Innovation and development:				
(a) Early childhood education....	$13,330,000	$13,330,000	$22,000,000	$+8,670,000
New Awards..........	(5,370,000)	(5,370,000)	(10,105,000)	(+4,735,000)
Number	78	78	139	+61
Continuing awards...	(7,960,000)	(7,960,000)	(11,895,000)	(+3,935,000)
Number	75	75	104	+29

Narrative

Program purpose

In order to build the capacity of State and local educational agencies to provide comprehensive educational services for handicapped preschool children, this program, authorized under Part C, section 623 of the Education of the Handicapped Act supports demonstration and outreach projects for that purpose. The Federal strategy is to work cooperatively with States through public and private non-profit agencies to demonstrate a wide range of educational, therapeutic services, and coordinated social services to help establish competent State and local programs incorporating the best of tested practices.

Grants and contracts are awarded annually on the basis of a National competition; each model demonstration is approved for a three year period, but receives second and third year funding on the basis of successful performance, and availability of funds.

Each demonstration model includes the following components: (a) parent participation, to demonstrate meeting the needs of parents and family members for counseling and emotional support, information, opportunity for observation, practice, home carry-over, and involvement in project planning and evaluation; (b) developing and demonstrating procedures for assessment of child progress and program evaluation; (c) provision of inservice training to increase volunteer, paraprofessional and professional staff effectiveness; (d) coordination with other agencies, especially the public school; and (e) dissemination of information to professionals and to the general public, concerning comprehensive programming for young children with handicaps.

Projects which have completed the demonstration phase, proven their success, and secured assurance that the basic project will be continued from State, local, private or other funds, become eligible to apply for support to enter the outreach phase. Outreach projects assist other agencies or programs wishing to provide effective programming for young handicapped children by helping the agencies replicate the project model or major components of it; providing resource assistance to programs wishing to integrate handicapped children; or training personnel of other agencies or programs. Outreach funding is available on a one-year basis, but may continue if the demand for assistance from a project is great.

Plans for fiscal year 1976

In order to build the capacity of State and local education agencies to provide comprehensive preschool educational opportunities for handicapped children, 1976 plans for this program call for the expansion of the demonstration and outreach effort. With the additional support in fiscal year 1976, the program will attempt to work more intensively with the States. To move in this direction, various activities will be undertaken:

1) A list will be developed by 35 States of individual State priorities for provisions of services to preschool handicapped children. Priority areas of concern might include programs needed for a particular age level or handicapping condition; a type of service delivery system (e.g. homebound, hospital, or public school); or programs designed to facilitate provision of comprehensive services to the entire handicapped preschool population. State priorities will be incorporated into the decision-making process, and awards will be made to the extent possible, in conformity with this priority plan.

2) In order to improve the efficient use of Federal, State and local resources, 20 awards will be made to State education agencies for support of early childhood coordinators in 20 States. These awards will provide for the half-time salary and travel expenses of each coordinator.

3) Support will be provided for the formal validation of 10 demonstration models for widespread dissemination to State and local governments in order to provide program alternatives.

In addition to the new State capacity-building activities, the demonstration and outreach strategy will be expanded by increasing the number of new first-year projects from 25 to 52. The demonstrations including 4 projects targeted on the severely handicapped, will continue to receive the benefits of the Technical Assistance Development System begun in previous years.

Accomplishments for fiscal years 1974 and 1975

In order to encourage special educational programming for handicapped preschool children, this program supported 104 demonstration and 51 outreach projects in school year 1974-75; in school year 1975-76, 100 demonstrations and 52 outreach projects were supported. Through these projects the following activities were demonstrated:

(1) screening of preschool children and infants

(2) provision of training and other supportive services to parents

(3) provision of diagnostic and resource assistance to handicapped children in other programs or agencies, e.g., Head Start, local day-care centers and

(4) provision of training for Head Start staff members, public school educators, day-care and nursery school staff and volunteers.

In addition, funds continued support to the Technical Assistance Development System (TADS) to include outreach efforts and continued funding Mister Roger's Neighborhood television program (1974). Other projects funded in 1974 were targeted on the severely handicapped. These projects are discussed separately in the narrative justification for Severely Handicapped Projects.

SUPPLEMENTARY FACT SHEET
Early Childhood Education

Estimated Population in Need: Conservative estimates indicate that there are 1,000,000 preschool handicapped children. Approximately 30% of these children are being served in varying degrees through demonstration and outreach projects, Head Start and Day Care programs, public education day programs, and through State supported activities.

Expected Effect of Service: It is generally recognized that handicapped children can make exceptional gains if their handicaps are identified and diagnosed as early as feasible, and if they thereupon begin to receive educational services attuned to their special needs. Such intervention will have a very positive effect on the child's development and adjustment to his environment; it will prevent some temporary dysfunctions from becoming permanent; and it will affect the relationship of the child with his family, peers, and society in general. It is also recognized that such early intervention is cost effective, in that it decreases the possibility that a child will need costly special educational services in later life.

Summary of Funding

Fiscal Year 1974 Funding
Normal grant period July 1974 - June 1975

45 1st year projects @ $ 67,000	$ 3,000,000
29 3rd year projects @ $117,000	3,400,000
(30 1st year projects were funded in October 1973 from fiscal year 1973 supplemental funds)	
51 Outreach projects @ $ 78,000	4,000,000
Technical assistance and Mister Roger's Neighborhood	931,000
(Funds used to support 7 early childhood projects under "Severely Handicapped Projects")	(669,000)
1974 budget authority	$11,331,000

Fiscal Year 1975 Funding
Normal grant period July 1975 - June 1976

25 1st year projects @ $ 60,000	$ 1,500,000
30 2nd year projects @ $105,000 (Oct. 1974-June 1975)	3,160,000
45 2nd year projects @ $107,000	4,800,000
52 Outreach projects @ $ 65,300	3,395,000
Technical assistance	475,000
(Funds used to support 7 early childhood projects under "Severely Handicapped Projects")	(670,000)
1975 budget authority	$13,330,000

Fiscal Year 1976 Funding
Normal grant period July 1976 - June 1977

52 1st year projects @ $ 66,000,000	$ 3,432,000
25 2nd year projects @ $110,000,000	2,750,000
45 3rd year projects @ $115,000,000	5,175,000
30 3rd year projects @ $110,000 (July 1975-June 1976)	3,300,000
56 Outreach projects @ $ 82,730	4,633,000
10 Validation projects @ $100,000	1,000,000
Technical assistance	740,000
4 projects for the severely handicapped	670,000
State education agency early childhood coordinators, half time in each of 20 States	300,000
1976 budget authority	$22,000,000

Summary by School Year

School year 1974-75
- 104 demonstration projects
- 51 outreach projects

School year 1975-76
- 100 demonstration projects
- 52 outreach projects

School year 1976-77
- 122 demonstration projects
- 56 outreach projects

Estimates of the direct impact through the demonstration and outreach activities are as follows:

	School Year 1974-75	School Year 1975-76	School Year 1976-77
DEMONSTRATION OUTPUTS:			
Children receiving direct services......................	7,000	8,300	14,000
Children screened..............	15,000	20,000	34,000
Number of children in other programs, e.g., Head Start, provided diagnostic or resource assistance..........	10,000	20,000	34,000
Number of parents served.......	14,000	16,000	28,000
Number of staff personnel receiving inservice training......................	3,500	4,500	7,500
Paraprofessionals trained......	2,500	4,000	7,000
Head Start personnel trained...	3,000	4,000	6,000
Public school personnel trained......................	5,000	6,000	8,000
Personnel trained from local day care centers............	2,500	4,000	6,000
Nursery school personnel trained.....................	2,500	4,000	6,000
Volunteers trained...........	2,500	5,000	5,000
IMPACT FROM OUTREACH PROJECTS:			
Number of children in replication projects.............	30,000	45,000	45,000
Number of complete replication projects.............	350	500	500
Number of projects replication components...........	650	1,000	1,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
2. Innovation and development:				
(b) Specific learning disabilities...........	$3,250,000	$3,250,000	$4,250,000	$+1,000,000
New awards.......	(1,664,883)	(1,664,883)	(2,585,117)	(+920,234)
Number.........	15	15	20	+5
Continuing awards	(1,585,117)	(1,585,117)	(1,664,883)	(+79,766)
Number.........	16	16	15	-1

Narrative

Program Purpose

In order to stimulate State and local provision of comprehensive identification, diagnostic, prescriptive and educational services for all children with specific learning disabilities this forward-funded program, authorized by Part G of the Education of the Handicapped Act, supports model programs and supportive technical assistance, research, and training activities. It also provides for early screening programs to identify these children, and for dissemination of information about the learning disabilities programs.

Recognition of this discrete type of handicap has been relatively recent and Federal activities are designed to help define the nature of the disorders, to stimulate adoption of early screening procedures, find approaches to treatment, and to stimulate an increased supply of teachers trained to handle the problems of the affected populations.

Grants and contracts are awarded annually at the Commissioner's discretion through a National competition. Eligible grantees are institutions of higher education, State and local education agencies, and other public and private educational and research agencies or organizations.

Plans for fiscal year 1976

In order to expand and improve educational services to children with learning disabilities, this program will fund child service demonstration centers which will support the following:

(a) specific components of model projects meant to serve high-need populations such as the disadvantaged, the geographically isolated, and secondary level students.

(b) a major effort to define, validate, disseminate and stimulate replication of identified models.

(c) funding of new models utilizing personnel from the fields of psychology, medicine and special education.

In addition:

(a) technical assistance will be provided for child service demonstration center model projects and for aiding States in planning to provide total service delivery systems.

(b) an independent evaluation of program impact will be undertaken which will aid in:

(1) establishing minimum standards for programming and specific definitions for services

(2) selecting valid models of screening, diagnosis and intervention

(3) establishing firm standards in service delivery and qualifications of teaching personnel

(4) defining needed new models of service delivery and personnel requirements.

Funding will be provided as follows:

15 continuation projects	$1,665,000
18 new projects	2,135,000
1 technical assistance	300,000
1 outside evaluation	150,000
Total	4,250,000

Accomplishments in fiscal years 1974 and 1975

During the life of this program 45 States have been funded to operate model demonstration centers. Currently, projects are operating in 38 States with 1974 funds, and six of the remaining 7 are now being funded by the individual States.

In 1974 and 1975 the program:

(1) demonstrated a variety of services for children with learning disabilities through child service demonstration centers; in addition to those served directly, many children are served as a result of replications of current and past projects. With 1974 funds, nine States participated in replication activities: California, Nebraska, New Mexico, Ohio, Pennsylvania, Texas, Virginia, West Virginia, and Wyoming;

(2) conducted in-service training on diagnosis and remediation of learning disabilities for regular classroom teachers;

(3) provided parents of learning disabled children with materials and information on techniques and methods of working with and understanding the problems of their children; replication projects provided information and counseling services;

(4) developed, with 1974 funds, 4 teachers' manuals for guidance in early screening, diagnostic services, remediation programming, and program implementation methods ($50,000).

SUPPLEMENTARY FACT SHEET

Specific Learning Disabilities

Direct impact

-- The direct impact of the program is as follows:

	Fiscal Year 1974	Fiscal Year 1975	Fiscal Year 1976
1. Number of children in model projects	4,300	14,500	20,000
Number of projects................	38	31	35
2. Number of children in replication activities........................	8,000	12,000	14,500
3. Number of regular classroom teachers receiving in-service training for diagnosis and remediation.........	1,300	4,500	4,500
4. Parents provided with materials and information......................	1,500	2,500	3,800
5. Parents provided counseling.........	2,500	2,500	2,500

Needs of Population

The learning disabled are the largest category of handicapped children not served. Using even the most conservative estimates, no more than 25% of these children are in an appropriate educational setting.

It is estimated that about 30% of the handicapped school-aged population have specific learning disabilities.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
2. Innovation and development:				
(c) Regional vocational, adult and postsecondary programs.....	$575,000	$575,000	$2,000,000	$+1,425,000
New awards..............	(575,000)	(575,000)	(1,425,000)	(+850,000)
Number..............	3	3	6	+3
Continuing awards......	(---)	(---)	(575,000)	(+575,000)
Number..............	---	---	3	+3

Narrative

Program purpose

In order to provide vocational, technical, postsecondary, and adult educational opportunities for deaf and other handicapped persons, this program, authorized by Part C, Section 625 of the Education of the Handicapped Act, awards grants and contracts for the development and operation of regional centers for this purpose. Priority consideration is given to: (1) programs serving multi-State regions or large population centers; (2) programs adapting existing programs of vocational, technical, postsecondary, or adult education to the special needs of handicapped persons; and (3) programs designed to serve areas where a need for such services is clearly demonstrated.

The needs of the population that is addressed by this program fall into two general areas: (1) career education and the supportive services relative to career placement, (2) skills necessary for successful and rewarding functioning in daily life. Programs must include emphasis on job placement in the white collar, skilled, and unskilled labor markets, and must also provide instruction in skills such as home budgeting.

Plans for fiscal year 1976

In fiscal year 1976, in order to provide vocational, postsecondary, and adult educational opportunities for the handicapped, this program will continue to fund the three postsecondary projects ($575,000) supported in fiscal year 1975, and will begin 6 new projects ($1,425,000) for the comprehensive provision of postsecondary and adult educational services to the handicapped. The definitions of the services to be provided are:

(1) Postsecondary activities: Activities will include vocational-technical education serving deaf, blind, physically, and other handicapped persons. Among the services to be offered are guidance and counseling, tutoring, special translation for deaf and/or blind students; assistance to physically handicapped students through design of special course offerings, provision of speech, language and therapy services. All of the above mentioned activities are aimed at facilitating career choice and job placement for handicapped persons.

(2) Adult education activities: Adult education centers will be supported which will build on existing community and regional adult and continuing education programs and demonstrate the successful inclusion of handicapped persons in those types of existing educational programs. This support will also be available to develop programs specifically for the severely handicapped and will emphasize occupational training, leisure time activities and other pursuits of everyday life that are necessary for fuller participation in society by the adult handicapped.

Accomplishments for fiscal years 1974 and 1975

For the first time in fiscal year 1975, this program continued and expanded the work of three demonstration projects previously jointly funded by the Office of Education and the Social and Rehabilitation Service. These projects demonstrated effective ways of modifying postsecondary and vocational programs to provide for the participation of handicapped persons. Prior to 1973, the Office of Education's contribution to these projects was derived from the Research and Demonstration program for the handicapped.

Three projects funded in fiscal year 1975 were:

(1) St. Paul Technical Vocational Institute ($200,000)--This project has provided training and field placement for interpreters, has developed a training course with accompanying instructional aids for high school programs for the deaf and has provided personal and professional advancement for adult deaf persons through an evening program.

More than 480 deaf students from 32 States, the District of Columbia, and Canada have matriculated at this institution. Training is offered in 38 different areas, including accounting, bricklaying, carpentry, data processing, highway technology, machine tool processes, plumbing, watchmaking and welding. Supportive services include, (1) a preparatory program, (2) counseling, (3) job placement and follow-up, (4) interpreting, (5) note taking, (6) tutoring, (7) auditory training, (8) career media for the handicapped, and (9) extracurricular activities.

(2) Seattle Central Community College ($175,000)--This project has provided residence placement and residence counseling services for its deaf students. It has also established a special arrangement with a nearby hospital to provide for the health needs of its students. As part of this special arrangement the project has taught sign language to the receptionists at this health facility.

The Seattle Central Community College has attracted more than 350 students from 49 different States. Areas of study such as horology, recreational technology, architectural drafting, welding, computer operation, and machine shop courses have been pursued by the students. Support services provided include interpreting, counseling, note taking, auditory evaluation and training, speech and communication skills, job placement and development, tutoring and preparatory program evaluation.

(3) California State University at Northridge ($200,000)--This project has taught sign language to non-deaf students enrolled at the University. It has also conducted major public education activities such as dramatic presentations in sign language and was the subject of a local television documentary.

Approximately 519 students have been served by the California State University at Northridge. Nearly 40 States have been represented in the student population. The program provides for both graduate and undergraduate study. Undergraduate majors are currently being pursued in 20 areas, including art, biology, engineering, home economics, mathematics, physical education and sociology. Graduate students are studying in such areas as child development, English, journalism, political science and special education.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
2. Innovation and development:				
(d) Research and demonstration.....	$9,341,000	$9,341,000	$11,000,000	$+1,659,000
New awards..........	(5,500,000)	(5,500,000)	(6,000,000)	(+500,000)
Number............	70	70	60	-10
Continuing awards...	(4,416,000)	(4,416,000)	(5,000,000)	(+584,000)
Number............	30	30	50	+17

Narrative

Program purpose

In order to improve educational opportunities for handicapped children, this program, authorized by Part E of the Education of the Handicapped Act, supports research and development activities. These activities seek to improve the effectiveness and efficiency of the educational system for handicapped children by supporting the development and validation of new service models and techniques; by packaging information into usable form; and by systematically assuring that this information is placed in appropriate hands. Activities are designed so that quality research and development products can be easily integrated into the educational delivery system.

State and local education agencies, institutions of higher education, and public and private educational and research agencies and organizations are eligible for the grants and contracts that are awarded annually at the Commissioner's discretion through National competition. Projects are approved for periods ranging from 1 to 5 years, but awards are made for one year, with continued funding based on quality performance and availability of appropriations. In a few instances, awards are made for more than one year. In 1975, this program is funding 1 project for 18 months in an amount of $7,000. In 1976, an estimated 5 projects will be funded for 18 months each, for a total of $50,000.

Plans for fiscal year 1976

In the past, much of the Office of Education's research program in special education has been based on reaction to field-initiated, unsolicited proposals, an approach which has contributed significantly to knowledge about handicapped children and has increased the availability of educational resources. Limited resources and new demands for information have required setting specific research plans, which will be implemented in fiscal year 1976.

In order to improve educational opportunities for handicapped children, the following innovation and development activities are proposed:

a) Improve the quality and increased quantity of early childhood education for handicapped children by developing assessment instruments and diagnostic methods; validating infant education programs and developing language training and development systems for preschoolers. ($2,000,000)

b) Development of programs to integrate handicapped children into regular education programs through mainstreaming, development of new curricula, and through solution of special education finance and legal problems. ($3,000,000)

c) Extended research in vocational education for post-secondary handicapped youth including techniques for vocational guidance, job redesign and placement, and vocational assessment and evaluation. ($2,000,000)

d) Improving the quality of teachers and paraprofessional personnel for special education through new approaches to evaluating teacher competency, mediated and modular teacher training programs, and new technological systems to aid in teachers' performance. ($2,000,000)

e) Increasing programming for the severely handicapped through research and development of alternative methods of institutional release, alternative living arrangements, curriculum, utilization of technology, and design of screening and diagnostic techniques. ($2,000,000)

Accomplishments for fiscal years 1974 and 1975

At the end of fiscal year 1974, supported projects had resulted in the distribution of over 500 products relating to education of the handicapped through the Educational Research Information Center (ERIC) system, and at least an equal number of publications in referred professional journals. Validated curriculum materials designed specifically for the speech and hearing impaired and mentally retarded have been developed and are now available in the areas of articulation therapy, language for the deaf, control of stuttering, and in several academic areas.

During fiscal year 1975 the primary efforts in speech involve the development and validation of more effective methods for correcting disabilities in the area of articulation, particularly program instruction and automated systems, delivery systems for speech and hearing services and language development of deaf children. The Optacon, a hand held reading device for the blind, which was developed over several years with Office of Education resources, has been tested educationally and technologically, and efforts to lower the cost, increase the portability, and improve the efficiency to a higher reading level are being continued.

In addition, during fiscal year 1975 a major research planning effort was undertaken to determine how research activities can operationally support Office of Education objectives for the handicapped. Long range research plans relevant to each objective are currently being developed which identify specific research tasks that merit immediate support. Areas of concern already identified are:

1) lack of teaching materials adapted to the unique needs of handicapped children,

2) insufficient knowledge about successful methods of teaching,

3) lack of programming in certain high need areas such as early identification and diagnosis, and early education; career/vocational education; education for the severely and multi-handicapped, and

4) lack of appropriate methods to integrate handicapped children into secondary, adult, and higher education programs.

SUPPLEMENTARY FACT SHEET

Research and Demonstration

Research and Demonstration Awards
By Category of Handicapped

	1973 Actual		1974 Actual		1975 Estimate		1976 Estimate	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Ares:								
Speech and hearing...	3	$ 478,314	8	$ 362,309	5	$ 400,000	6	$ 330,000
Visually handicapped.	6	212,016	7	503,530	10	800,000	11	660,000
Crippled and other health impaired....	8	1,058,762	13	756,824	10	800,000	11	660,000
Emotionally disturbed	1	120,000	2	98,415	5	400,000	6	330,000
Mentally retarded....	15	3,104,347	14	2,107,964	10	800,000	11	660,000
Hearing impaired.....	15	1,198,360	7	324,946	10	800,000	11	660,000
Non-category.........	41	3,662,310	42	5,581,012	50	5,341,000	54	7,700,000
Total...........	89	9,834,109	93	9,735,000	100	9,341,000	110	11,000,000

Institutions receiving awards: Of the institutions which have received awards, 60% are four-year colleges or universities, 20% are State or local education agencies, 10% are professional organizations, and 10% are "other".

Other funding sources: Many projects have been jointly funded with the National Institute of Mental Health, the Social and Rehabilitation Services, the Rehabilitation Services Administration, and one is currently under consideration with the Department of Transportation. All applicants are encouraged to find local or other resources to complement Federal funds, although there are no matching requirements.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
3. Media and resource services:				
(a) Media services and captioned films.	$13,000,000	$13,000,000	$16,000,000	$+3,000,000
New awards......	(9,700,000)	(9,700,000)	(6,250,000)	(-3,450,000)
Number........	59	59	63	+4
Continuing awards........	(3,300,000)	(3,300,000)	(9,750,000)	(+6,450,000)
Number........	10	10	21	+11

Narrative

Program Purpose

In order to respond to the need to help provide the handicapped learner with special educational materials, this program, authorized under Part F of the Education of the Handicapped Act, supports grants and contracts for this purpose so as to make it possible for the handicapped to be educated effectively. This includes producing and distributing educational media for the use of handicapped persons, their parents, their actual or potential employers, and other persons directly involved in work for the advancement of the handicapped; training persons in the use of educational media for the instruction of the handicapped, and carrying on research in the use of educational madia for the handicapped. This latter purpose is being advanced through the operation of a National Center for Media and Materials for the Handicapped, and a system of special centers called Area Learning Resource Centers which focus on demonstration and technical assistance to the States to enable them to utilize media and materials for the handicapped.

An equally important mission is the original Congressional mandate: to promote the general welfare of deaf persons by captioning and distributing motion picture films and other media which play an important role in their advancement on both a general cultural and an educational basis. In both cases the purpose of this program is to provide for maximum access to learning experiences by handicapped children through the development and demonstration of the best available practices, and efficient management of both material and human resources.

Projects are approved for periods of up to 36 months, but awards are made annually, with renewals funded on the basis of a project's effectiveness and the replicability of its elements, and availability of appropriations.

Plans for fiscal year 1976

1) Marketing and Implementation Strategy: A number of curricula, films, television and other educational technology products are now reaching the final stages of development. In many instances, the effective application of these new tools in the classroom will be delayed by lack of awareness concerning their availability, by lack of understanding for what purposes they can be used, and by a lack of ability to purchase the materials at the local level. For example, the Optacon, a device developed with Federal funds to enable blind people to read print, is now being purchased by blind adults for a variety of occupational applications; yet further use of these Optacons, costing less than $3,000 each, could be made if they were available to major training centers for teachers of the blind and also to major educational settings for the blind.

This strategy will also assume support for a project providing the opportunity for equal education for visually handicapped students on the elementary and high school levels by providing them with free custom-made tape copies of text books. Required reading is not available in braille; therefore recorded reading materials are needed.

In addition, many of these devices or curricula have not yet been properly tested and guided through the many steps needed to convert a promising prototype into a rationally designed production model.

In fiscal year 1976, we intend to initiate a marketing and implementation strategy to help assure that production models are widely distributed among handicapped consumers. Of the $3,000,000 increase in the total program, $2,000,000 will be devoted to this effort to make practical use of technological advances.

2) Area Learning Resource Centers and National Center: The 13 Area Learning Resource Centers (ALRC's) facilitate the development and implementation by State Education Agencies of a capacity to respond to the learning needs of handicapped children through educational media and materials. ALRC's provide services to State and local education agencies which include (1) acquisition or development of materials which are designed to accommodate unique learning characteristics of the handicapped child; (2) training those who would design, select, prescribe or use instructional materials to be competent in the procedures, machinery-operation, or software usage involved in mediated teaching; (3) inform teachers or learners of the available material which are designed to meet specific learning objectives of children; (4) provide materials needed by the teacher or learner through a logistical system of materials supply; (5) provide direct services to handicapped children and their teachers as a demonstration of effective practice and by offering technical and developmental assistance to professional educators and administrators, in establishing similar programs.

There are 3 specialized centers for media and materials development and dissemination for the (1) blind and visually impaired, (2) deaf and hard of hearing, (3) other handicapping conditions, and a fourth center which is a film and materials depository. These centers locate, field test, develop and disseminate new materials and plan future efforts.

The National Center on Educational Media and Materials will:

a) coordinate efforts of the Area Learning Resource Centers and specialized offices;

b) develop and maintain a national information system for media and materials which will operate a search and retrieval system to answer inquiries and maintain inventory, circulation, and demand records;

c) develop methods and techniques to train teachers of the handicapped in using materials, and

d) enter tested products into educational systems for distribution to intended users.

3) Captioned Educational and Theatrical Films for the Deaf: This program will continue the film program by captioning and distributing those films which promote the cultural and educational advancement of the deaf population. The program will reach nearly 3 million hearing impaired persons annually in all 50 States.

Special support is available for captioning educational films for children and adults, with particular demand coming from vocational schools, community colleges, and continuing education programs for the hearing impaired.

More than 4,000 groups of hearing impaired persons are registered for this service and more groups are certified each week. It is estimated that the program will need 80-100 new titles per year to keep the number at a sufficient level to meet requests. New and more economical methods of delivery, such as the use of a centralized booking system and library are being used.

4) Captioned Television and Cable TV: The use of captioned television and cable television through the public broadcasting networks holds great promise for communication for entertainment and continuing education for all handicapped persons.

Nightly captioned news programs will be continued. Other captioned television programming for the hearing impaired will be experimented with for future development. Current research is being done on a "decoder" system for captioning programs. Several technical problems exist and must be corrected, i.e., a caption storage system, certain transmission problems, and prevention of deterioration of film or tape quality.

Cable television is a fast-growing medium which has potential benefits for geographically isolated or homebound youngsters, parents of handicapped children and teachers who need supportive services.

5) National Theatre of the Deaf: Support will continue for the National Theatre of the Deaf which has served as a talent center for activities in the theater arts as they relate to the cultural, educational, and vocational betterment of the deaf.

Accomplishments in fiscal years 1974 and 1975

Accomplishments included the captioning and distribution of 140 theatrical and educational films to 3 million deaf persons, a daily captioned newscast broadcast over the national PBS network, and telecommunications projects to provide previously unserved severely handicapped children with educational programs.

A network of Learning Resource Centers was launched to develop specialized educational media and materials to meet the educational needs of handicapped learners; and experiments were conducted to develop an electronic coding system to provide captioned television for more than 13 million hearing impaired Americans.

In addition, in fiscal year 1975, Project Mainstream was launched to increase educational opportunity for sight-impaired elementary and secondary students. This project, to be assumed under the marketing and implementation strategy in fiscal year 1976, served 7,000 high school and 8,000 elementary school blind students. The project produced approximately 20,000 duplicate tape books.

SUPPLEMENTARY FACT SHEET

Media Services and Captioned Films

Program Financial Data

	1974		1975		1976	
	Amount	No. of Awards	Amount	No. of Awards	Amount	No. of Awards
Captioned Films	$ 2,466,055	47	$ 2,600,000	42	$ 3,000,000	50
Captioned TV and Telecommunications	183,303	2	2,000,000	7	2,000,000	7
Area Learning Resource Centers	5,924,651	19	6,775,500	17	7,650,000	17
National Center on Educational Media and Materials	782,589	1	1,000,000	1	1,000,000	1
Marketing and Implementation	---	---	---	---	2,000,000	8
National Theatre of the Deaf	353,924	1	374,500	1	350,000	1
Demonstrations	3,289,006	17	---	---	---	---
Recordings for the Blind	---	---	250,000	1	---	---
	$12,999,528	87	$13,000,000	69	$16,000,000	84

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
3. Media and resource services:				
(b) Regional resource centers...........	$7,087,000	$7,087,000	$9,750,000	$+2,663,000
Continuing awards...	(7,087,000)	(7,087,000)	(9,750,000)	(+2,663,000)
Number............	14	14	14	---

Narrative

Program purpose

In order to encourage and promote the development and application of exemplary appraisal and educational programming practices for handicapped children, the Regional Resource Center program was established under Part C of the Education of the Handicapped Act. The centers have used demonstrations, dissemination, training, financial assistance, staff expertise, and services, as strategies for carrying out their mission. The centers also act as a backup agent where State and local services in these areas are nonexistent or inadequate.

Grants or contracts are awarded to institutions of higher education, State educational agencies, or combinations of such agencies or institutions which may include one or more local educational agencies, within particular regions of the United States. Projects are approved for periods of 36 months, but awards are made annually, and renewed on the basis of a Center's effectiveness, and the availability of appropriations.

Plans for fiscal year 1976

Some of the activities supported to achieve the purposes of the program are:

(1) expanding the identification, diagnostic, prescriptive, evaluative placement, and technical assistance currently being provided.

(2) working in close cooperation with the States and local education agencies in promoting the development of direction centers. The direction centers will:

a) provide a one-stop, general information service to match the child's total needs with available services and attempt a multidisciplinary effort to integrate the specialized services needed by the child;

b) account for changes in the childs' needs over time and maintain service information on each referred child;

c) require parent participation;

d) stimulate an active outreach/identification and follow-up program;

e) stress program service evaluation, and

f) serve as a local advocate for handicapped persons generally, and for individual clients particularly.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1974, approximately 40,000 handicapped children received comprehensive services from six Regional Resource Centers. Approximately 200 State education agency and 6,000 local education agency personnel received training through workshops, special study institutes, and technical assistance activities. In addition to the 40,000 children receiving services mentioned above, 2,000 severely and multiply-handicapped children also received services.

In fiscal year 1975:

(1) The Regional Resource Centers (RRC's) were organized into 13 regional centers with new guidelines aimed at serving the more severely handicapped child and the unserved child. Objectives were to create a National support mechanism to improve and assist State and local officials, teachers, parents and children in gaining improved identification, diagnostic, prescriptive, evaluative and placement services. A coordinating unit was formed to conduct ongoing needs assessment, information and data support, and training of teachers, paraprofessionals, Regional Resource Center staff, and parents.

(2) The 13 RRC's began to coordinate their activities with the Area Learning Resource Centers (supported under the Media Services and Captioned Films budget) and other Federal model program efforts. This coordination developed the beginning of a learning resource system which, working with State and local education agencies, eventually will be a facilitating component coordinated with the delivery of special education services to handicapped children.

(3) The RRC's developed a capacity to respond to identified priority groups of handicapped children who have up to now been "hidden or excluded" from the special education process, i.e., poor inner city and rural populations, including a high percentage of Mexican-Americans, American Indians, Puerto Ricans, and Black Americans.

SUPPLEMENTARY FACT SHEET

Regional Resource Centers

The Regional Resource Centers (RRC's) cover the following regions:

RRC No. 1 "Northwest":	Alaska, Hawaii, Samoa, Guam, Trust Territory, Washington, Oregon, Idaho, Montana and Wyoming
RRC No. 2 "California":	California
RRC No. 3 "Southwest":	Nevada, Utah, Colorado, Arizona, New Mexico, and BIA schools
RRC No. 4 "Midwest":	North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Iowa, Missouri, and Arkansas
RRC No. 5 "Texas":	Texas
RRC No. 6 "Great Lakes":	Minnesota, Wisconsin, Michigan, and Indiana
RRC No. 7 "Illinois":	Illinois
RRC No. 8 "Ohio":	Ohio
RRC No. 9 "Northwest":	Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, and New Jersey
RRC No. 10 "New York":	New York
RRC No. 11 "Pennsylvania":	Pennsylvania
RRC No. 12 "Mideast":	Delaware, D.C., Maryland, Virginia, West Virginia, Kentucky, Tennessee, North Carolina, Puerto Rico, and Virgin Islands
RRC No. 13 "Southeast":	Louisiana, Mississippi, Alabama, Georgia, South Carolina, Florida

	1974 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
3. Media and resource services:				
(c) Recruitment and information	$500,000	$500,000	$1,000,000	$+500,000
New awards	(500,000)	(500,000)	(500,000)	(---)
Number	3	3	10	+7
Continuing awards	(---)	(---)	(500,000)	(+500,000)
Number	---	---	3	+3

Narrative

Program purpose

In order to encourage people to enter the field of special education, to disseminate information, and provide referral services for parents of handicapped children in order that they may be assisted in their attempts to locate appropriate educational programs for their children, this program, authorized under Part D, section 633 of the Education of the Handicapped Act, provides grants or contracts for that purpose.

The 1976 budget request for this program is $1,000,000, which is $500,000 more than the 1976 level authorized for Part D section 633 of the Education of the Handicapped Act. Additional authorizing legislation is being proposed.

Plans for fiscal year 1976

To carry out the purpose of the program, the objectives for 1976 are:

(1) to provide information to parents on the variety of services that are available and the kinds of services to which their children are entitled.

(2) to provide access to local sources of information for parents of handicapped children.

(3) to provide local sources of information to assist professionals in referring parents to proper services.

(4) to provide program information to 100,000 new parents through CLOSER LOOK ads and mailings from the Special Education Information Center (SEIC). The SEIC newsletter will reach 200,000 parents on a continuous basis in both English and Spanish.

(5) to support TV and radio announcements and news releases to commercial and public stations which call attention to the need to identify and provide improved services for these children.

(6) to assure that public and educational leaders are aware of the potential of handicapped people.

(7) to continue to target recruitment information at regular educators and students in colleges and high schools to increase the number of teachers

in this shortage field and particularly in the areas of minority, bilingual, and severely handicapped programs.

In addition to continuing activities supported in previous years, new activities proposed for fiscal year 1976 are:

(1) to conduct a survey to identify optimum sites for local information units. ($5,000)

(2) to provide assistance grants for the establishment of local information units. Strong emphasis will be placed on involvement of parents of the handicapped in planning these units, and in selecting host organizations to operate and eventually take over financial responsibility for continued operations. ($400,000)

(3) to produce a technical manual with evaluative criteria on information systems and referral services; to facilitate exchange of information between the regional units and State, local and Federal organizations and agencies; and to produce a mnaual to assist parents to evaluate the relevance of programs to children's needs ($45,000)

(4) to assess the needs and design information packages for special handicapped populations such as the bilingual, Indians, disadvantaged, and geographically isolated. ($50,000)

Accomplishments for fiscal year 1974 and 1975

Fiscal year 1974 funds continued 12 referral centers operating through Health and Welfare Councils, designed to assist parents and other persons in obtaining the most appropriate services for handicapped children.

In addition, regional television and radio campaigns were undertaken in concert with other Department of Health, Education, and Welfare activities concerning the handicapped in a concentrated effort to coordinate information systems and to aid regional and State programs in attracting the quality and quantity of teachers required.

Activities in fiscal year 1975

(1) provided current program information to approximately 50,000 new parents through the CLOSER LOOK ads and mailings from the Special Education Information Center (SEIC). The SEIC newsletter reaches 150,000 parents on a continuous basis;

(2) established an intense regional campaign in the Southwest, including medical, mental health, social, and educational referral and information services that replicated the successful efforts carried on in New England during 1972-73;

(3) conducted showings, on both commercial and public stations, of a TV program that strives to increase public awareness of the need for better services for the handicapped; and

(4) continued to target recruitment information to increase the number of special and regular educators with a particular understanding of the needs of minority and bilingual handicapped children.

SUPPLEMENTARY FACT SHEET

Recruitment and Information

Activities Proposed for Fiscal Year 1976

Task	Estimated Cost
Media Outreach Campaign	$250,000
Operation of Information Clearinghouse	200,000
Production and distribution of Closer Look Report, 3 issues, (1,000,000 circulation)	24,000
Workshops for Parents (3)	3,600
Development of parent-oriented information and distribution to Federal and other programs serving the handicapped	16,400
Production and distribution of Special Education Careers	6,000
Survey of recruitment and informational competencies to identify optimum sites	5,000
Grants to local information units, 8 at $50,000 each	400,000
Technical assistance to local information units	45,000
Media Outreach Campaign for special populations	50,000
TOTAL	$1,000,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
4. Special education manpower development...	$37,700,000	$37,700,000	$39,750,000	$+2,050,000
New awards............	(14,600,000)	(14,600,000)	(16,150,000)	(+1,550,000)
Number..............	208	208	237	+29
Continuing awards.....	(23,100,000)	(23,100,000)	(23,600,000)	(+500,000)
Number..............	358	358	363	+5

Narrative

Program purpose

In order to ensure an adequate supply of educational personnel competent to deal with the special educational problems of the handicapped, this program provides financial assistance through grants to institutions of higher education, State education agencies, and other appropriate nonprofit agencies under Part D of the Education of the Handicapped Act, for the training of teachers, supervisors, administrators, researchers, teacher educators, speech correctionists, and other special services personnel such as specialists in physical education and recreation, music therapy and paraprofessionals. Those personnel trained through this program not only provide direct educational services to handicapped children and youth, but also are involved with preparation of other educators and specialists.

The program awards grants annually at the Commissioner's discretion. All grantees are placed under a block grant system. This allows grantees greater flexibility in the use of Federal funds than was possible under the previous system of allocating a fixed support grant to a fixed stipend level. This system allows the grantee flexibility in allocating funds for various priorities, based on differential needs, such as stipends, faculty salaries or curriculum development. Faculty members receiving support provide training to students other than those who receive direct financial aid. This functions as a multiplier variable to increase the impact of Federal funds by preparing additional numbers of students, and upgrading the quality of the personnel preparation programs. It is estimated that at least three additional students receive some training benefit for each full-time academic year student who is supported by Federal funds under this program.

This program is forward funded, with the minimum award being $1,000 and the average award approximately $70,000. All awards are for 12 months of activity.

Plans for fiscal year 1976

This program provides services to the 50 States, 5 trust territories, and to the District of Columbia. Approximately 300 colleges and universities are reached by this program, 23 of which are predominately black.

Program priorities have been developed through a close planning relationship between the Federal government, the States, and local communities. These are

1) training and retraining of regular class room teachers,
2) provision of teachers for isolated geographical areas and the inner city,
3) training of personnel for early childhood education, education of the severely handicapped, vocational education, and
4) training of paraprofessionals.

Over 30,000 individuals will receive some financial assistance from this program. The requested funding level of $39,750,000 for the school year 1976-1977 provides for the following:

1. Preservice/fulltime and inservice/continuation preparation for special educators:

The program will provide financial support to approximately 8,105 individuals in preservice training as well as related institutional support ($25,370,000), and financial support to approximately 9,665 individuals in inservice training plus related institutional support ($4,080,000).

2. Special education training for regular classroom teachers:

The program will provide financial support to approximately 60 colleges of education and/or physical education to make changes in the curriculum to enable their graduates to be more knowledgeable about and more sensitive to the needs of the handicapped ($3,000,000). In addition, provision is made for financial support to approximately 10,000 regular classroom teachers in inservice training plus related institutional support ($3,550,000)

3. Instructional Models:

Under this component of the program, financial support will be provided for the development of new instructional models to train special educators, regular educators, and paraprofessionals ($3,350,000). Inservice training and assistance will be provided for program planning and implementation, and evaluation of personnel-preparation faculty members ($400,000).

Accomplishments for fiscal years 1974 and 1975

Funding for this program supported 565 projects in fiscal year 1974 and an estimated 566 projects in fiscal year 1975. Through these projects the following activities were initiated or continued:

(1) focusing attention on the educational personnel needs of severely handicapped children,
(2) training of minority group specialists to serve the educational needs of minority group handicapped children,
(3) early childhood training,
(4) paraprofessional training, and
(5) training of regular classroom teachers to meet the needs of handicapped children in regular classroom situations.

In fiscal year 1974 (covering academic year 1974-1975), funds in the amount of $39,615,000 provided program support for over 500 projects and direct financial support to 21,000 students.

The fiscal year 1975 funding (covering academic year 1975-76), at a level of $37,700,000 provided assistance to an estimated 25,220 students in approximately 566 projects.

SUPPLEMENTARY FACT SHEET

Special Education Manpower Development

1. Demand: At the present level of service (50% of handicapped children and youth served) special education teacher output from training agencies is just keeping up with the demand created by (a) attrition in the field and (b) the need to fill new opening positions.

2. Need: The current demand is for 20,000 new teachers each year. If the educational system is to meet its full service commitment of 500,000 teachers, an additional 260,000 teachers are still needed.

3. Program operations: In order to increase the progress toward reaching stated goals, various program approaches are being considered. They include facilitation of university and Statewide planning in order to cut down on duplications of effort, and methods for reducing the special education teacher shortage in rural and inner city areas, such as the recruitment of prospective teachers who have definite community ties, taking the "campus" to the community, and a work-study arrangement in which the student alternates between campus classrooms and community involvement.

DISTRIBUTION OF FUNDS

Fiscal Year 1974

	Educational Level	No. of Projects	Funds	Percent	Number of Students
1.	Academic Year Training	410	$24,416,000	61.6	4,830
2.	Instructional Models	54	5,823,000	14.7	966
3.	Regular Education	27	1,459,000	3.7	2,499
4.	Continuing Education	56	6,084,000	15.4	12,516
5.	Paraprofessional	12	641,000	1.6	189
6.	Special Projects	6	1,192,000	3.0	N.A.
	TOTAL	565	$39,615,000	100%	21,000

Fiscal Year 1975

	Educational Level	Funds	Percent	Number of Students
1.	Academic Year Training	22,000,000	58.4	5,866
2.	Instructional Models	4,400,000	11.7	1,154
3.	Regular Education	4,500,000	11.9	3,000
4.	Continuing Education	6,200,000	16.4	15,000
5.	Paraprofessional	600,000	1.6	200
	TOTAL	$37,700,000	100%	25,220

Fiscal Year 1976

Special Education Personnel Development
Projected Program Data

Educational Level	Preservice		Inservice		Total	
	Amount	No. of Students	Amount	No. of Students	Amount	No. of Student
1. Early childhood.......	$ 4,500,000	1,400	$ 720,000	1,170	$ 5,220,000	2,570
2. Severely handicapped.	7,500,000	2,220	1,190,000	2,950	8,690,000	5,170
3. Paraprofessional.....	1,000,000	660	170,000	425	1,170,000	1,085
4. Physical education..	1,140,000	350	160,000	410	1,300,000	760
5. Recreation...	340,000	105	55,000	35	395,000	140
6. Interdisciplinary..	500,000	235	80,000	390	580,000	625
7. General special education..	9,250,000	2,800	1,535,000	3,860	10,785,000	6,660
8. Vocational/career education..	1,140,000	335	170,000	425	1,310,000	760
Subtotal.	25,370,000	8,105	4,080,000	9,665	29,450,000	17,770
Regular Education						
1. Preservice and inservice training........	3,000,000	---	3,550,000	10,000	6,550,000	10,000
Instructional Models						
1. Developmental assistance......	N.A.	N.A.	400,000	665	400,000	665
2. Model implementation..	3,000,000	810	350,000	835	3,350,000	1,645
Subtotal.	3,000,000	810	750,000	1,500	3,750,000	2,310
Total........	31,370,000	8,915	8,380,000	21,165	39,750,000	30,080

N.A.-Not Applicable

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: State assistance:
(a) State grant program (Education
for the Handicapped Act, Part B)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate	1976 Advance for 1977 Authorization	1976 Advance for 1977 Budget Estimate
$100,000,000	$47,000,000	$100,000,000	$50,000,000[1/]	$100,000,000	$50.000,000

1/ Reflects requested rescission of $50,000,000 from an appropriation of $100,000,000.

Purpose: To assist the States and outlying areas in the initiation, expansion, and improvement of programs and projects for handicapped children at the preschool, elementary, and secondary levels, and to serve as a catalyst to promote increased programming for children on a comprehensive basis involving various Federal programs and local resources, so that full educational opportunities may be provided to all handicapped children.

Explanation: Funds are allocated and distributed to the States in proportion to their age 3 to 21 population (minimum $300,000). A portion of these allocations may be used for the administration of educational programs for handicapped children. In fiscal year 1975 only, funds are allocated to the States on the basis of the number of children in each State aged 3 to 21, multiplied by $8.75, ratably reduced.

Accomplishments in 1975: A rescission of $52,500,000 has been requested to maintain the level of program operations at the 1974 level. The revised appropriation level would serve, in school year 1974-1975, 250,000 children in nearly 2,000 projects. In 1975 the program also conducted a needs assessment to determine which States were in greatest need. Technical assistance was provided to the States to help them assess their ability to meet new legal requirements for providing full educational opportunities to handicapped children.

Objectives for 1976 and 1977: The program, serving approximately 250,000 children in 2,200 projects in both school years 1975-1976 and 1976-1977, will maintain the level of program activity proposed for support in fiscal year 1975. This estimate is based on the revised level of $50,000,000 for fiscal year 1976, reflecting a requested rescission of $50,000,000 of the amount appropriated. Beginning in school year 1975-1976, the program will concentrate on serving the more isolated child, the more severely handicapped child, and the preschool handicapped child. In addition, extensive program monitoring will be undertaken in order to assure that States are implementing plans to assure that every handicapped child, no matter how severe the handicap, be afforded an equal opportunity for an appropriate education.

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: State assistance:
(b) Deaf-blind centers (Education of the Handicapped Act, Part C, section 622)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$12,000,000	$12,000,000	$20,000,000	$16,000,000

Purpose: To provide specialized, intensive educational and therapeutic services to deaf-blind children and their families through regional centers, so that these children may achieve their full potential for communication and adjustment for useful and meaningful participation in society.

Explanation: Contracts are awarded to regional centers which themselves are authorized to sub-contract with State education agencies, State Departments of Mental Health and Welfare, and private agencies for the provision of direct services. The regional centers monitor subcontracts and provide technical assistance, coordination, casefinding, and screening.

Accomplishments in 1975: Through the funding of 10 regional centers and 250 individual projects, 2,800 deaf-blind children were provided full-time educational services, 300 received part-time services, 700 received diagnosis and evaluation services, 3,000 parents were counseled, and 3,000 parents and teachers were provided training related to the special problems of deaf-blind children.

Objectives for 1976: All additional funds in fiscal year 1976 will be targeted on increasing the number of deaf-blind children receiving full-time services, so that an additional 800 children will receive such services, bringing the number served up to 3,600. All other services will be maintained at the 1975 level.

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: State assistance:
(c) Severely handicapped projects (Education of the Handicapped Act, Part C, section 621)1/

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$2,826,000	$2,826,000	$20,000,000	$3,250,000

1/ Funds for this program are requested under Part C, section 621; however, the authority used to operate these projects is derived from section 624 of the same part. Funding for section 624 projects may originate in any section of Part C which has specific authorizations.

Purpose: To establish and promote programmatic practices designed to meet the educational and training needs of severely handicapped children and youth, in order to make them as independent as possible.

Explanation: Contracts are awarded on a one-year basis to State departments of special education, intermediate or local education agencies, institutions of higher education, and other public and nonprofit private agencies. Fiscal year 1976 is the first year in which a separate appropriation is requested for this program. In 1975, funds from the Early Childhood Education program and the Regional Resource Center program were used to contribute to this effort for the severely handicapped.

Accomplishments in 1975: In fiscal year 1975, 10 projects were continued for a second year, and 6 new ones were funded. These projects all contained: (a) a comprehensive service plan; (b) a replicable model demonstration program providing direct services; and (c) a strategy to widely disseminate exemplary projects and project elements to professional and nonprofessional personnel.

Objectives for 1976: The newly requested funds will continue 12 projects and start 9 new ones.

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: Innovation and development:
(a) Early childhood education (Education of the Handicapped Act, Part C, section 623)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$13,330,000	$13,330,000	$36,000,000	$22,000,000

Purpose: In order to build the capacity of State and local educational agencies to provide comprehensive educational services for handicapped preschool children, this program supports demonstration and outreach projects. The Federal strategy is to assist in the establishment of competent State and local programs incorporating the best of tested practices.

Explanation: Grants and contracts are awarded to public and nonprofit private organizations annually on the basic of National competition; each model demonstration is approved for a three year period, but receives second and third year funding on the basis of successful performance and availability of funds.

Accomplishments for 1975: With 1975 funds, this forward funded program supported 100 demonstration and 52 outreach projects in school year 1975-76. These projects accomplished screening of preschool children, training of parents, provision of diagnostic and resource assistance to handicapped children in other programs, and training for professionals and volunteers in the area of early childhood education.

Objectives for 1976: The program will expand the demonstration and outreach effort through more intensive coordination and cooperation with States in developing their capacities to provide public educational opportunities for all handicapped preschool children. The demonstration and outreach strategy will be expanded by increasing the number of new first-year projects.

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OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: Innovation and development:
(b) Specific learning disabilities (Education of the Handicapped Act, Part C)

1975	1975	1976	
Estimate	Revised	Authorization	*Budget Request
$3,250,000	$3,250,000	$20,000,000	$4,250,000

Purpose: In order to stimulate State and local provision of comprehensive identification, diagnostic, prescriptive, and educational services for all children with specific learning disabilities, this forward-funded program supports model programs and supportive services, provides programs to ensure early identification of children with these disabilities, and disseminates information regarding programs for the learning disabled.

Explanation: Grants and contracts are awarded annually at the Commissioner's discretion through National competition. Encouragement is given to those areas where the need is greatest. Institutions of higher education, State and local education agencies, and other public and private educational and research organizations are eligible.

Accomplishments in 1975: In fiscal year 1975 the program emphasized demonstration and replication of a variety of services for children with learning disabilities, conducting inservice training for regular classroom teachers, and providing parents with information on working with and understanding learning disabled children. The funds supported 15 new awards and 16 continuing projects.

Objectives for 1976: In order to expand and improve educational services to children with learning disabilities 20 new awards will be made and 15 projects will be continued. The program will fund child service demonstration centers to support high need populations; fund new models using personnel from the fields of medicine, psychology, and special education; encourage the replication of identified models; provide technical assistance for model projects and for State planning in providing total service delivery systems; and undertake an independent evaluation of program impact.

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: Innovation and development:
(c) Regional vocational, adult and post-secondary programs
(Education of the Handicapped Act, Part C, section 625)

1975	1975	1976	
Estimate	Revised	Authorization	Budget Request
$575,000	$575,000	1/	$2,000,000

1/ Such sums as may be necessary.

Purpose: In order to provide vocational, technical, postsecondary, and adult educational opportunities for handicapped persons, this program awards grants and contracts for the development and operation of regional centers.

Explanation: Priority consideration in awarding grants is given to programs serving large population centers, to programs adopting existing vocational programs to the needs of the handicapped, and to programs serving areas where a need for such services is clearly demonstrated.

Accomplishments in 1975: This program continued and expanded the work of three demonstration projects previously jointly funded by the Office of Education and the Social and Rehabilitation Service. These projects in Minnesota, Washington, and California, demonstrated effective ways of modifying postsecondary and vocational programs to provide for the participation of handicapped persons.

Objectives for 1976: The program will continue to fund the 3 projects supported in 1975 and will begin 6 new projects for the comprehensive provision of postsecondary and adult educational services to the handicapped.

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: Innovation and development:
(d) Research and demonstration (Education of the Handicapped Act, Part E)

1975 Estimate	1975 Revised	1976	
		Authorization	Budget Estimate
$9,341,000	$9,341,000	$20,000,000	$11,000,000

Purpose: In order to improve educational opportunities for handicapped children, this program supports research and development activities. These activities seek to improve the effectiveness and efficiency of the educational system for handicapped children by supporting the development and validation of new service models and techniques, and by packaging and disseminating information.

Explanation: Applications are made by State education agencies, local education agencies, colleges and universities, and private and public nonprofit agencies. Awards are made annually at the Commissioner's discretion through National competition.

Accomplishments in 1975: Activities funded in 1975 include a major effort to determine how research activities could best support Office of Education objectives for the handicapped, and which areas were of greatest concern. In 1975, 100 research and demonstration projects were undertaken in the fields of articulation, programmed and automated instruction, and delivery of speech and hearing services, among others.

Objectives for 1976: The program is designed to enhance the quality and quantity of early childhood education for handicapped children, to develop programs to integrate handicapped children into regular education programs, to extend research in vocational education for postsecondary handicapped youth, to develop programs to improve the quality of teachers and paraprofessional personnel for special education, and to increase programming for the severely handicapped. In 1976, 100 projects will be undertaken for these purposes.

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: Media and resource services:
(a) Media services and captioned films
(Education of the Handicapped Act,
Part F)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$13,000,000	$13,000,000	$22,000,000	$16,000,000

Purpose: The Media Services and Captioned Film program responds to the need to help provide the handicapped learner with specific educational materials to make effective education possible; promotes the general welfare of deaf persons by captioning and distributing motion picture films and other media.

Explanation: Eligible applicants are State and local education agencies, institutions of higher education, and other public and nonprofit private agencies. Projects are approved for periods of up to 36 months, but awards are made annually, with renewals funded on the basis of a project's effectiveness, the replicability of its elements, and the availability of funds.

Accomplishments in 1975: Accomplishments include the captioning and distribution of 140 theatrical and educational films to 3 million deaf persons; captioning of a daily newscast on the PBS network, and telecommunications projects for the severely handicapped. In addition, Project Mainstream served 7,000 high school and 8,000 elementary school blind students with provision of 20,000 recorded books. The network of Area Learning Resource Centers have continued to develop and maintain a media and materials storage and retrieval system for teachers of the handicapped.

Objectives for 1976: A new marketing and implementation strategy will be launched to insure that successful curricula, films, television, and other educational technology products are being efficiently and effectively used. Support for the Area Learning Resource Centers will be expanded; 80-100 new captioned films will be produced and distributed along with others now in circulation; development of captioned and cable television will continue, as will support of the National Theatre of the Deaf.

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: Media and resource services:
(b) Regional resource centers
(Education of the Handicapped Act,
Part C, section 621)

1975	1975	1976	
			Budget
Estimate	Revised	Authorization	Estimate
$7,087,000	$7,087,000	$18,000,000	$9,750,000

Purpose: To encourage and promote the development and application of exemplary appraisal and educational programming practices for handicapped children, the Regional Resource Center program was established. The Centers accomplish this task through demonstration, dissemination, training, financial assistance, staff expertise, and services. The Centers also act as a backup agent where State and local services in these areas are nonexistent or inadequate.

Explanation: Grants are awarded to institutions of higher education, State education agencies, or combinations of such agencies or institutions which may include one or more local education agencies, within particular regions of the United States. Projects are approved for periods of 36 months, but awards are made annually, and renewed on the basis of a Center's effectiveness and the availability of appropriations.

Accomplishments in 1975: In 1975 the Regional Resource Centers (RRC's) were reorganized into 13 regional centers with new guidelines aimed at the more severely handicapped and the unserved child. This reorganization effected the coordination of the RRC's with the Area Learning Resource Centers to form a more integrated facilitating factor in building State and local capacity to deliver special educational services. The RRC's concentrated on developing a capacity to respond to the needs of priority groups of handicapped children who up to now have been "hidden or excluded," e.g. inner city, and Hispanic-Americans.

Objectives for 1976: The RRC's will expand their identification, diagnostic, prescriptive, evaluative, placement, and technical assistance activities. They will also work with the State and local education agencies to promote the development of "direction centers," which will provide a one-stop general information service to match the child's total needs with available services, provide follow-up services and maintain service information on each child, stress program service evaluation, and generally act as a local advocate for their handicapped clients.

OFFICE OF EDUCATION

Education for the Handicapped

Program Purpose and Accomplishments

Activity: Media and resource services:
(c) Recruitment and information
(Education of the Handicapped Act,
Part D, section 633)

1975	1975	1976	1976
Estimate	Revised	Authorization	Budget Estimate
$500,000	$500,000	$500,000	$1,000,000[1/]

1/ Additional authorizing legislation to be proposed for fiscal year 1976.

Purpose: In order to encourage people to enter the field of special education, to disseminate information, and provide referral services for parents of handicapped children in order that they may be assisted in their attempts to locate appropriate educational programs for their children, this program provides grants and contracts.

Explanation: Discretionary project grants or contracts are awarded to public and nonprofit private organizations.

Accomplishments in 1975: The program provided 50,000 new parents with current program information through the CLOSER LOOK ads and mailings from the Special Education Information Center (SEIC), and reached 150,000 parents with the SEIC newsletter; established an intense campaign in the Southwest for various health and education referral and information services; conducted showings of a TV program to increase public awareness of the needs of the handicapped, and continued to target recruitment and information to increase the number of regular and special educators with an understanding of the needs of minority and bilingual handicapped children.

Objectives for 1976: The program will continue and expand activities supported in 1975, and will also set up 8 local information units which will operate somewhat like parent coalitions for the appropriate education of handicapped children; provide technical assistance to these 8 units; survey current recruitment and informational competencies to identify optimum sites for units; and conduct a Media Outreach Campaign for special populations.

OFFICE OF EDUCATION
Education for the Handicapped

Program Purpose and Accomplishments

Activity: Special education manpower development (Education of the Handicapped Act, Part D, sections 631, 632, and 634)

1975	1975	1976	
Estimate	Revised	Authorization	Amount
$37,700,000	$37,700,000	$52,000,000	$39,750,000

Purpose: In order to ensure an adequate supply of educational personnel competent to deal with the special educational problems of the handicapped, Part D of the Education of the Handicapped Act provides financial assistance through grants to institutions of higher education, State education agencies, and other appropriate nonprofit agencies, for the training of teachers, supervisors, administrators, researchers, teacher educators, speech correctionists and other special services, personnel such as specialists in physical education and recreation, music therapy, and paraprofessionals. Those personnel trained through this program not only provide direct educational services to handicapped children and youth, but also are involved with preparation of other educators and specialists.

Explanation: Project grants are made to State education agencies and institutions of higher education to assist them in developing and improving training programs for educational personnel for the handicapped.

Accomplishments in 1975: In fiscal year 1975, funds provided support for an estimated 566 projects serving approximately 25,220 students, at an average cost of $1,500 per student.

Objectives for 1976: The program will, in school year 1976-77, provide program support for 600 projects, including direct financial aid to over 30,000 students, teachers, and paraprofessionals.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Education for the Handicapped

State Grant Program

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/
Total	$47,492,173	$100,000,000	$47,500,000
Alabama	802,862	1,689,600	802,862
Alaska	200,000	297,224	200,000
Arizona	377,063	900,418	377,063
Arkansas	425,283	907,955	425,283
California	4,361,391	9,279,132	4,361,391
Colorado	516,770	1,142,175	516,770
Connecticut	654,995	1,387,278	654,995
Delaware	200,000	345,491	200,000
Florida	1,380,063	3,068,037	1,380,063
Georgia	1,071,928	2,292,399	1,071,928
Hawaii	200,000	418,582	200,000
Idaho	200,000	399,275	200,000
Illinois	2,449,176	5,148,004	2,449,176
Indiana	1,193,974	2,517,875	1,193,974
Iowa	634,995	1,332,112	634,995
Kansas	500,175	1,042,837	500,175
Kentucky	737,128	1,553,534	737,128
Louisiana	897,468	1,895,910	897,468
Maine	223,595	477,343	223,595
Maryland	890,413	1,910,231	890,413
Massachusetts	1,234,411	2,614,164	1,234,411
Michigan	2,085,038	4,414,966	2,092,865
Minnesota	893,353	1,889,037	893,353
Mississippi	545,643	1,157,947	545,643
Missouri	1,016,772	2,145,536	1,016,772
Montana	200,000	385,484	200,000
Nebraska	319,579	693,305	319,579
Nevada	200,000	334,459	200,000
New Hampshire	200,000	392,379	200,000
New Jersey	1,520,261	3,235,127	1,520,261
New Mexico	249,853	551,868	249,853
New York	3,780,074	7,940,709	3,780,074
North Carolina	1,180,908	2,495,845	1,180,908
North Dakota	200,000	364,798	200,000
Ohio	2,415,753	5,067,693	2,415,753
Oklahoma	554,652	1,177,989	554,652
Oregon	457,842	981,197	457,842
Pennsylvania	2,507,390	5,247,590	2,507,390
Rhode Island	203,971	430,827	203,971
South Carolina	636,848	1,350,514	636,848

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/
Total			
South Dakota	200,000	373,762	200,000
Tennessee	874,558	1,850,935	874,558
Texas	2,603,529	5,578,170	2,603,529
Utah	271,693	593,015	271,693
Vermont	200,000	317,220	200,000
Virginia	1,059,202	2,264,504	1,059,202
Washington	766,739	1,602,452	766,739
West Virginia	382,548	796,267	382,548
Wisconsin	1,030,782	2,181,611	1,030,782
Wyoming	200,000	288,950	200,000
District of Columbia	200,000	363,419	200,000
American Samoa	70,000	(	70,000
Guam	115,000	(	115,000
Puerto Rico	728,495	(1,941,899	728,495
Trust Territory	115,000	(	115,000
Virgin Islands	115,000	(	115,000
Bureau of Indian Affairs	240,000	970,950	240,000

1/ Distribution estimated on the basis of the 3-21 population, April 1, 1970, with a minimum of $200,000,000; three percent of the 50 States and D.C. amount reserved for the outlying areas.

2/ The distribution is the sum of the fiscal year 1974 allotment, with the balance ratably reduced from the estimated fiscal year 1975 authorization ($666,312,150), which is based on the aged 3-21 population multiplied by $8.75.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Education for the Handicapped

State Grant Program

State or Outlying Area	1976 Estimate 1/	1976 Revised 1/	1977 Estimate 1/
Total	$100,000,000	$50,000,000	$50,000,000
Alabama	1,688,191	812,056	812,056
Alaska	300,000	300,000	300,000
Arizona	996,374	479,277	479,277
Arkansas	918,922	442,021	442,021
California	9,362,505	4,503,561	4,503,561
Colorado	1,190,661	572,733	572,733
Connecticut	1,394,136	670,609	670,609
Delaware	300,000	300,000	300,000
Florida	3,213,602	1,545,811	1,545,811
Georgia	2,323,561	1,117,682	1,117,682
Hawaii	416,141	300,000	300,000
Idaho	379,384	300,000	300,000
Illinois	5,138,089	2,471,529	2,471,529
Indiana	2,520,472	1,212,400	1,212,400
Iowa	1,327,186	638,405	638,405
Kansas	1,033,131	496,958	496,958
Kentucky	1,554,291	747,647	747,647
Louisiana	1,900,856	914,352	914,352
Maine	483,091	300,000	300,000
Maryland	1,941,551	933,927	933,927
Massachusetts	2,626,805	1,263,549	1,263,549
Michigan	4,435,769	2,133,698	2,133,698
Minnesota	1,895,605	911,826	911,826
Mississippi	1,165,719	560,735	560,735
Missouri	2,148,965	1,033,698	1,033,698
Montana	353,129	300,000	300,000
Nebraska	711,508	342,251	342,251
Nevada	300,000	300,000	300,000
New Hampshire	366,256	300,000	300,000
New Jersey	3,264,800	1,570,437	1,570,437
New Mexico	574,983	300,000	300,000
New York	7,921,110	3,810,221	3,810,221
North Carolina	2,503,407	1,204,191	1,204,191
North Dakota	313,746	300,000	300,000
Ohio	5,048,822	2,428,590	2,428,590
Oklahoma	1,186,722	570,839	570,839
Oregon	996,374	479,277	479,277
Pennsylvania	5,216,853	2,509,416	2,509,416
Rhode Island	431,893	300,000	300,000
South Carolina	1,358,692	653,560	653,560

State or Outlying Area	1976 Estimate 1/	1976 Revised 1/	1977 Estimate 1/
Total	$100,000,000	$50,000,000	$50,000,000
South Dakota	330,812	300,000	300,000
Tennessee	1,858,848	894,145	894,145
Texas	5,663,187	2,724,112	2,724,112
Utah	611,740	300,000	300,000
Vermont	300,000	300,000	300,000
Virginia	2,294,680	1,103,790	1,103,790
Washington	1,591,048	765,328	765,328
West Virginia	787,648	378,875	378,875
Wisconsin	2,190,973	1,053,904	1,053,904
Wyoming	300,000	300,000	300,000
District of Columbia	311,121	300,000	300,000
Puerto Rico	1,566,542	753,540	753,540
American Samoa	(	(	(
Guam	(	(	(
Trust Territory	(990,099	(495,050	(495,050
Virgin Islands	(	(	(
	(	(	(
Bureau of Indian Affairs	(	(	(

1/ Distribution estimated on the basis of the 3-21 population, 7/1/73 (4/1/70, Puerto Rico), with a minimum of $300,000. 1% of 50 States, D.C. and Puerto Rico amount reserved for the outlying areas.

OFFICE OF EDUCATION

Education for the Handicapped

Estimate for July 1 - September 30, 1976 period

Amounts Available for Obligation

	1976 Revised	Estimate July 1 - Sept. 30, 1976
Appropriation......................	$225,000,000	$13,100,000
Proposed rescission................	-50,000,000	---
Total, obligations	175,000,000	13,000,000

OFFICE OF EDUCATION

Education for the Handicapped

Estimate for July 1 - September 30, 1976 period

Obligations by Activity

Activity	1976 Revised	Estimate July 1 - Sept. 30, 1976
State assistance..................	$ 69,250,000[1]	$ ---
Innovation and development:		
(a) Early childhood education......	22,000,000	2,500,000
(b) Specific learning disabilities.	4,250,000	100,000
(c) Regional vocational, adult, and postsecondary programs.......	2,000,000	---
(d) Research and demonstration.....	11,000,000	2,500,000
Media and resource services:		
(a) Media services and captioned films........................	16,000,000	8,000,000
(b) Regional resource centers	9,750,000	---
(c) Recruitment and information....	1,000,000	---
Special education manpower development......................	39,750,000	---
TOTAL......................	175,000,000	13,100,000

[1] Reflects requested rescission of $50,000,000 from the 1975 advance appropriation for 1976 of $100,000,000 in the State grant program.

OFFICE OF EDUCATION

Education for the Handicapped

Estimate for July 1 - September 30, 1976 period

Obligations by Object

	1976 Revised	Estimate July 1 - Sept. 30, 1976
Travel and transportation of persons......................	$ 23,000	$ ---
Transportation of things...........	1,000	---
Rent, communications, and utilities.......................	6,000	---
Printing and reproduction..........	10,000	---
Other services:		
Project contracts.............	42,971,000	10,600,000
Supplies and materials.............	5,000	---
Equipment..........................	14,000	---
Grants, subsidies, and contributions....................	131,970,000[1]	2,500,000
Total obligations by object....	175,000,000	13,100,000

---

[1] Reflects requested rescission of $50,000,000 from the 1975 advance appropriation for 1976 of $100,000,000 in the State grant program.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Innovation and development:		
(d) Research and demonstration.........	$ 11,000,000	$ 2,500,000

Narrative

An amount of $2,500,000 is requested to fund this program during the interim period. Obligations for this program are made on a continuous basis throughout the fiscal year, and it is expected that about one quarter of the 1976 appropriated level will be necessary for funding continuation grants and contracts for activities conducted at 5 research and demonstration centers. These centers are concentrating their efforts on the programmatic specialties of early childhood education, career education, the severely handicapped, personnel development and physical education and recreation.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Media and resource services:		
(a) Media services and captioned films..................	$ 16,000,000	$ 8,000,000

Narrative

An amount of $8,000,000 is requested for the interim period to fund this program. This amount represents continuation grants to the 13 Area Learning Resource Centers, 4 special category centers for instructional media designed for specific handicapping conditions, and one grant for the National Center on Educational Media and Materials for the Handicapped. These Centers comprise a portion of a National delivery system of educational media and materials to handicapped children and their teachers.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Media and resource services:		
(b) Regional resource centers..........	$ 9,750,000	---
(c) Recruitment and information........	1,000,000	---
Special education manpower development..........................	39,750,000	---

Narrative

These programs are forward funded, and normally incur obligations in the period of April through June; therefore, no funds are needed during the interim budget period.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
State assistance........................	$69,250,000*	---

* Reflects a requested rescission of $50,000,000 from the 1975 advance appropriation for 1976 in the State grant program.

Narrative

The programs in this activity are: (a) State grant program, (b) Deaf-blind centers, and (c) Severely handicapped projects.

The State grant program is an advance funded program. The entire 1976 advance appropriation, which will cover the grant period, July 1, 1976 to June 30, 1977, will be made available to the States during the interim period. The appropriation to cover the next grant period, July 1, 1977 to June 30, 1978, will be requested in the regular fiscal year 1977 budget and no new appropriation action will be required during the interim period.

The Deaf-blind center program and the Severely handicapped projects are forward-funded programs, and will not need any new funds until spring of 1977, which will be requested in the regular fiscal year 1977 budget.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Innovation and development:		
(a) Early childhood education..........	$ 22,000,000	$ 2,500,000
(b) Specific learning disabilities.....	4,250,000	100,000

Narrative

These programs normally incur obligations during the last quarter of the fiscal year (April-June). This request for $2,500,000 in Early childhood education and for $100,000 in the Specific learning disabilities program is made for some special projects to be funded during this period.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Innovation and development:		
(c) Regional, vocational, adult, and postsecondary programs........	$ 2,000,000	---

Narrative

This program is forward-funded and does not normally incur obligations until the quarter extending from April through June; therefore, no funds are necessary during the interim budget period.

TUESDAY, MARCH 11, 1975.

OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION

WITNESSES

DR. WILLIAM F. PIERCE, DEPUTY COMMISSIONER FOR OCCUPATIONAL AND ADULT EDUCATION

DR. T. H. BELL, COMMISSIONER OF EDUCATION

DR. WILLIAM L. SMITH, DIRECTOR, TEACHER CORPS

DR. CHARLES H. BUZZELL, ASSOCIATE COMMISSIONER FOR ADULT, VOCATIONAL, TECHNICAL, AND MANPOWER EDUCATION

PAUL V. DELKER, DIRECTOR, ADULT EDUCATION

DR. WILLIAM T. CARTER, DIRECTOR, EDUCATIONAL SYSTEMS DEVELOPMENT

CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. Office of Education, Occupational, Vocational, and Adult Education.

This presentation will be made by Dr. William F. Pierce, Deputy Commissioner for Occupational and Adult Education.

We have your biographical sketch which will be placed in the record at this point.

[The biographical sketch follows:]

Name: William F. Pierce.
Position: Deputy Commissioner for Occupational and Adult Education.
Birthplace and date: Borger, Tex., July 30, 1932.
Education: Riverside City College, Riverside, Calif., 1956, associate of arts;
University of California, 1958, bachelor of science;
University of California, 1962, master of education;
Michigan State University, 1967, doctor of philosophy.

EXPERIENCE

Present: Deputy Commissioner for Occupational and Adult Education.
1964–72: Michigan State Department of Education—
Deputy Superintendent of Public Instruction;
Director, Division of Vocational Education;
Deputy Director, Division of Vocational Education;
Chief of Special Programs, Division of Vocational Education; and
Consultant and Supervisor, Manpower Development and Training.

1963–64: Assistant coordinator of Student Teachers, Michigan State University, College of Education.

1962–63: Part time instructor and graduate assistant, Michigan State University, College of Education.

1960–62: Vocational Agriculture teacher, Petaluma Senior High School, Petaluma, Calif.

1959–60: Vocational Agriculture teacher, Holtville Union High School, Holtville, Calif.

1958–59: Vocational Agriculture teacher (practice teaching), Modesto Senior High School, Modesto, Calif.

Association memberships:
American Vocational Association;
Michigan and National Council of Local Administrators of Vocational Education and Practical Arts;
Michigan Occupational Education Association;
National Association of State Directors of Vocational Education.

Mr. FLOOD. You have Dr. Bell with you. Is there anyone else you want us to know?

Dr. PIERCE. Yes, sir, if I may introduce my colleagues on the witness list to my immediate left, Dr. William Smith, Director of the Teacher Corps; to his left, Dr. Charles Buzzell, Associate Commissioner for Adult, Vocational, Technical and Manpower Education; two others who are with us this afternoon are Mr. Paul Delker, Director of Adult Education; and then on his immediate left, Dr. William T. Carter, the Director of Educational Systems Development.

Mr. FLOOD. You have a prepared statement?

Dr. PIERCE. Yes; I have.

Mr. FLOOD. What are you going to do with it?

Dr. PIERCE. I would like to read it, if I may, Mr. Chairman.

Mr. FLOOD. Suppose you do that.

GENERAL STATEMENT

Dr. PIERCE. Mr. Chairman and members of the committee, thank you for the opportunity to present our budget request for occupational, vocational, and adult education for fiscal year 1976. The total request of $120,373,455 includes $7,161,455for the permanent vocational education appropriation; $37,500,000 for Teacher Corps activities; $5,212,000 for the fifth and final year of operation of the urban-rural projects; $3 million for a new educational leadership initiatives; and, $67,500,000 for advance funding of ongoing activities in adult education.

VOCATIONAL EDUCATION

In the President's budget request for 1976, we have indicated our intention to submit, at a later date, a budget request contingent upon enactment of legislation to consolidate the present vocational education categorical programs. This new legislation proposes a shift in the type of assistance to be provided. Essentially, the legislation is based on the premise that support for basic occupational and vocational education services is a State and local responsibility and that the appropriate Federal role, which is limited in scope and funding, should be directed to efforts to build the capacity of States and LEA's to offer such services and to provide them with improved alternative educational approaches, products, and processes. Assistance will shift substantially from general support to innovative projects.

ADULT EDUCATION

For our adult education program, we are requesting $67,500,000 on an advance funding basis for use in school year 1976–77. These funds will allow the States to provide skill training in reading, writing, and speaking the English language to about 1 million adults with less than a high school level of education. Persons participating in these programs will improve their capacity to benefit from occupational training and will increase their opportunities for more productive and profitable employment to better meet their adult responsibilities.

To promote effective adult education programs, at least $10 million will be used by the States for special projects demonstrating the use of innovative methods, systems, materials, or programs, and for State funded teacher training opportunities for persons engaged in or preparing to engage in adult education programs.

TEACHER CORPS

The $37,500,000 requested in fiscal year 1976 is the same as the 1975 level for Teacher Corps programs. With these funds the Teacher Corps will continue the implementation of the changes called for in the Education Amendments of 1974 which shifted the focus of the Corps. Previously, the bulk of the effort went to the recruitment and training of teacher interns for schools serving low-income populations, with some retraining of experienced teachers occurring. Now, projects concentrate major retraining efforts around smaller intern groups serving the same populations and involving cooperative efforts among the local school district, a college or university, and the local community. The purpose is to demonstrate the effectiveness of various strategies toward improving the skills of teachers in those schools as a means of improvement in the quality of education. The change in program direction is shown in the following figures: In 1974, 2,430 interns and 951 experienced teachers received training. In 1975, there are 1,873 interns and 2,154 experienced teachers participating and in 1976, we estimate that 950 interns and 3,770 regular teachers will be enrolled.

PERSONNEL DEVELOPMENT

Our request is $8,212,000 for educational personnel development and includes $5,212,000 for final support to phaseout the 5-year urban-rural demonstration effort involving 31 projects and 3,500 school staff and community members. No funds are requested for the other previously funded specialized educational personnel activities since they have either completed their authorized funding periods or financial assistance for persons interested in those fields is now available through funding under other appropriations within the education budget.

The remaining $3 million is requested to initiate training projects to improve the management and planning capabilities of elementary and secondary school principals, especially those in urban areas serving large numbers of disadvantaged students. This new educational leadership program will address the needs of the principal who, as the key to the climate and conduct of the school with increased decentralization of decisionmaking authority, community involvement and accountability demands, has a need for more and improved management, planning, and evaluation skills than his previous education and experience have generally afforded. By giving principals these management skills, the program is expected to yield significantly improved educational performance at the level of the individual school.

This concludes my statement and we will be happy to answer any questions you may have. We have received your letter, Mr. Chairman, on vocational education and we are also prepared to discuss at this time vocational education under the existing Vocational Education Act.

NEW LEGISLATIVE PROPOSAL

Mr. Flood. This budget is based on the consolidation of the vocational educational programs by means of proposed legislation.

Dr. Pierce. That is right.

Mr. Flood. Has this proposed legislation been submitted to Congress?

Dr. Pierce. Not yet, sir.

Mr. **Flood**. Suppose you briefly describe the legislative proposal, and how it is going to change the present law.

Dr. **Pierce**. Principally the purpose of the new legislation is to simplify the administration of vocational education at the State and local level, to remove many of the existing specific categories in set-aside amounts of dollars, to retain the authority to spend money by the States in those areas, but to simplify it and put the decisions more at the State and local level than at the Federal level.

The second and more important emphasis is that vocational education in this country since its beginning in 1917 has really developed into a State-local-Federal partnership. In that process the Federal effort gets lost.

You can do the same things with Federal money that you can do with State and local money, and so it is very difficult for us and for Congress to determine what really is happening with the Federal dollar.

This proposal will provide more Federal funds for innovation, for more new—and what I like to consider—high risk activities that the State and local governments generally cannot afford to undertake. That would be, in our opinion, a legitimate Federal role.

More dollars will be allocated for capacity building at the State and local level, using Federal dollars for that purpose, and less money would be available for the maintenance and continuation of ongoing programs.

Mr. **Flood**. Have you discussed this with the proper legislative committees?

Dr. **Pierce**. We have discussed it informally with them. We have not introduced a piece of legislation.

Mr. **Flood**. What was their reaction?

Dr. **Pierce**. Mixed, I think, it would be fair to say.

Mr. **Flood**. Here we are in the middle of March.

Do you really expect this legislative proposal of yours to be enacted by Congress or become law before July 1?

Dr. **Pierce**. Hope burns eternal, but as the days wind down I suspect that it gets more and more tenuous that that could indeed happen.

Mr. **Flood**. This subcommittee feels it is important to enact an early appropriation bill for education. We have been at this for some time. We did it twice. We can't act unless we have authorization. Thereby hangs the tale.

We don't want to ignore your proposed legislation for vocational education, but as I just indicated to you, we certainly don't want to wait around here for months and months to see if we are going to have legislation enacted for 1976.

Therefore, just so you know, we are going to proceed to consider an appropriation on the basis of the existing Vocational Education Act. At the same time now we will follow very carefully the progress, if any, of your proposed legislation.

BUDGET DISTRIBUTION

Will you supply for the record a budget distribution which will continue the existing vocational education programs, and include the necessary appropriation language, and also provide—I suppose you can—the State-by-State distribution?

Dr. **Pierce**. Yes; we can do both and we have that for the record.

[The information follows:]

Insert page 1592A

Appropriation Estimate

OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, Section 102(b) ($20,000,000), Parts B and C [($438,978,000)] *($423,347,000)*, D, F [($35,994,000)] *($27,994,000)*, G ($19,500,000), H [($9,849,000)] *($7,849,000)* and I of the Vocational Education Act of 1963, as amended (20 U.S.C. 1241-1391), [the Cooperative Research Act, and] Parts B-1 [($37,500,000)], *and* D [($8,139,000), E ($2,100,000), and F ($9,000,000)] of the Education Professions Development Act, *and the Adult Education Act of 1966*, [$612,376,000] *$636,218,000* including $16,000,000 for exemplary programs under Part D of said 1963 Act of which 50 per centum shall remain available until expended and 50 per centum shall remain available through June 30, [1976] *1977*, and not to exceed $18,000,000 for research and training under Part C of said Act, *and of which $67,500,000 for the Adult Education Act shall become available for obligation July 1, 1976, and shall remain available for obligation through September 30, 1977.*

[For carrying out, to the extent not otherwise provided, the Adult Education Act of 1966, and Section 907 of the Elementary and Secondary Education Act of 1965, as amended, $136,800,000: *Provided*, That of this amount $67,500,000 shall become available for obligation on July 1, 1975 and shall remain available through June 30, 1976.]

[Funds appropriated under "Occupational, Vocational, and Adult Education" in the Departments of Labor and Health, Education and Welfare Appropriations Act, 1975 for carrying out career education under the Cooperative Research Act shall be available only to carry out the provisions of Section 406 of Public Law 93-380.]

For "Occupational, vocational, and adult education" for the period July 1, 1976 through September 30, 1976 $147,751,500.

Insert page 1592B

Office of Education

Occupational, Vocational, and Adult Education

Vocational Education

Budget Authority by Activity

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Vocational Education:				
Grants to States for vocational education programs:				
(a) Basic vocational education programs:				
(1) Annual	$420,978,000	$405,347,000	$405,347,000	$ ---
(b) Programs for students with special needs	20,000,000	20,000,000	20,000,000	---
(c) Consumer and homemaking education	35,994,000	30,994,000	27,994,000	-3,000,000
(d) Work-study	9,849,000	7,849,000	7,849,000	---
(e) Cooperative education	19,500,000	19,500,000	19,500,000	---
(f) State advisory councils	4,316,000	4,316,000	4,316,000	---
Subtotal	510,637,000	488,006,000	485,006,000	-3,000,000
Vocational research:				
(a) Innovation	16,000,000	16,000,000	16,000,000	---
(b) Curriculum development	1,000,000	1,000,000	4,000,000	+3,000,000
(c) Research	18,000,000	18,000,000	18,000,000	---
Subtotal	35,000,000	35,000,000	38,000,000	+3,000,000
Total budget authority	545,637,000	523,006,000	523,006,000	---
Total budget authority with permanent appropriation	552,798,455	530,167,455	530,167,455	---

Insert page 1592C

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Basic Vocational Education Programs

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$412,508,455 1/	$428,139,455 2/	$412,508,455 2/	$ 412,508,455 2/
Alabama	8,462,395	8,706,219	8,388,364	8,388,364
Alaska	553,162	626,301	603,917	603,917
Arizona	4,015,940	4,475,657	4,312,255	4,312,255
Arkansas	4,499,122	4,736,756	4,563,822	4,563,822
California	34,929,859	36,503,883	35,171,157	35,171,157
Colorado	4,865,496	5,297,315	5,103,914	5,103,914
Connecticut	4,616,707	4,747,614	4,574,283	4,574,283
Delaware	970,051	1,002,365	965,770	965,770
Florida	13,568,396	14,900,372	14,356,372	14,356,372
Georgia	10,856,878	11,238,560	10,876,424	10,876,424
Hawaii	1,435,166	1,572,398	1,514,992	1,514,992
Idaho	1,783.328	1,882,941	1,814,197	1,814,197
Illinois	18,227,429	18,795,036	18,108,845	18,108,845
Indiana	10,665,305	11,132,080	10,725,658	10,725,658
Iowa	5,859,433	5,981,336	5,762,964	5,762,964
Kansas	4,575,798	4,739,069	4,566,049	4,566,049
Kentucky	7,927,385	8,094,727	7,799,196	7,799,196
Louisiana	9,158,353	9,430,166	9,085,879	9,085,879
Maine	2,312,948	2,441,931	2,352,778	2,352,778
Maryland	7,206,062	7,560,957	7,284,913	7,284,913
Massachusetts	10,032,230	10,463,253	10,081,249	10,081,249
Michigan	16,891,829	17,493,466	16,854,796	16,854,796
Minnesota	7,891,817	8,228,426	7,928,012	7,928,012
Mississippi	5,563,298	5,835,619	5,622,566	5,622,566
Missouri	9,586,984	9,781,433	9,424,320	9,424,320
Montana	1,627.264	1,705,379	1,643,117	1,643,117
Nebraska	3,071,651	3,204,720	3,087,718	3,087,718
Nevada	798,977	917,859	884,348	884,348
New Hampshire	1,558,184	1,631,374	1,571,814	1,571,814
New Jersey	11,314,376	11,435,964	11,018,448	11,018,448
New Mexico	2,619,802	2,838,280	2,734,656	2,734,656
New York	27,186,917	28,113,152	27,086,764	27,086,764
North Carolina	12,792,009	13,007,867	12,532,961	12,532,961
North Dakota	1,556,006	1,603,654	1,545,107	1,545,107
Ohio	20,921,022	21,541,641	20,755,174	20,755,174
Oklahoma	5,925,792	6,128,686	5,904,932	5,904,932
Oregon	4,486,204	4,685,532	4,514,457	4,514,457
Pennsylvania	22,762,566	23,132,846	22,288,286	22,288,286
Rhode Island	1,913,790	1,948,426	1,877,290	1,877,290
South Carolina	6,857,791	7,087,876	6,829,105	6,829,105

State or Outlying Area	1974 Actual[1]	1975 Estimate[2]	1975 Revised[2]	1976 Estimate[2]
South Dakota	1,651,573	1,720,698	1,657,876	1,657,876
Tennessee	9,541,343	9,829,080	9,470,228	9,470,228
Texas	25,472,710	26,858,837	25,878,244	25,878,244
Utah	2,840,131	2,984,908	2,875,931	2,875,931
Vermont	1,023,256	1,105,132	1,064,785	1,064,785
Virginia	10,439,095	10,760,086	10,367,244	10,367,244
Washington	6,827,023	6,966,125	6,711,799	6,711,799
West Virginia	4,185,719	4,236,569	4,081,894	4,081,894
Wisconsin	9,384,839	9,670,339	9,317,284	9,317,284
Wyoming	734,611	770,600	742,465	742,465
District of Columbia	1,197,578	1,180,139	1,137,053	1,137,053
American Samoa	66,865	66,759	64,322	64,322
Guam	213,214	213,369	205,580	205,580
Puerto Rico	6,723,560	6,716,210	6,471,008	6,471,008
Trust Territory	218,778	218,450	210,476	210,476
Virgin Islands	140,508	140,528	135,397	135,397

[1] Distribution based on FY 1974 State products of (1) FY 1974 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum amount of $10,000 on the total amount for Parts B and C. Population age groups are as of 7/1/71 for the 50 States and D.C., and as o of 4/1/70 for the outlying areas.

[2] Estimated distribution based on FY 1975 State products of (1) FY 1975 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum amount of $10,000 on the total amount for Parts B and C. Population age groups are as of 7/1/73 for the 50 States and D.C., and as of 4/1/70 for the outlying areas.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Programs for Students with Special Needs

State or Outlying Area	1974 1/ Actual	1975 2/ Estimate	1975 2/ Revised	1976 2/ Estimate
TOTAL	$20,000,000	$20,000,000	$20,000,000	$20,000,000
Alabama	410,085	406,489	406,489	406,489
Alaska	26,806	29,265	29,265	29,265
Arizona	194,611	208,967	208,967	208,967
Arkansas	218,026	221,156	221,156	221,156
California	1,692,691	1,704,350	1,704,350	1,704,350
Colorado	235,781	247,329	247,329	247,329
Connecticut	223,724	221,664	221,664	221,664
Delaware	47,009	46,800	46,800	46,900
Florida	657,521	695,692	695,692	695,692
Georgia	526,122	527,058	527,058	527,058
Hawaii	69,547	73,415	73,415	73,415
Idaho	86,419	87,913	87,913	87,913
Illinois	883,296	877,531	877,531	877,531
Indiana	516,838	519,752	519,752	519,752
Iowa	283,947	279,266	279,266	279,266
Kansas	221,742	221,265	221,265	221,265
Kentucky	384,160	377,939	377,939	377,939
Louisiana	443,811	440,290	440,290	440,290
Maine	112,085	114,013	114,013	114,013
Maryland	349,204	353,017	353,017	353,017
Massachusetts	486,159	488,524	488,524	488,524
Michigan	818,574	816,762	816,762	816,762
Minnesota	382,436	384,182	384,182	384,182
Mississippi	269,597	272,463	272,463	272,363
Missouri	464,583	456,690	456,690	456,690
Montana	78,857	79,623	79,623	79,623
Nebraska	148,852	149,626	149,626	149,626
Nevada	38,719	42,854	42,854	42,854
New Hampshire	75,509	76,169	76,169	76,169
New Jersey	548,292	533,940	533,940	533,940
New Mexico	126,955	132,518	132,518	132,518
New York	1,317,471	1,312,591	1,312,591	1,312,591
North Carolina	619,897	607,331	607,331	607,331
North Dakota	75,403	74,874	74,874	74,874
Ohio	1,013,827	1,005,770	1,005,770	1,005,770
Oklahoma	287,162	286,146	286,146	286,146
Oregon	217,400	218,765	218,765	218,765
Pennsylvania	1,103,066	1,080,062	1,080,062	1,080,062
Rhode Island	92,739	90,971	90,971	90,971
South Carolina	332,327	330,930	330,930	330,930

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 2/
South Dakota	80,034	80,338	80,338	80,338
Tennessee	462,371	458,916	458,916	458,916
Texas	1,234,400	1,254,027	1,254,027	1,254,027
Utah	137,631	139,364	139,364	139,364
Vermont	49,587	51,598	51,598	51,598
Virginia	505,875	502,384	502,384	502,384
Washington	330,835	325,246	325,246	325,246
West Virginia	202,839	197,804	197,804	197,804
Wisconsin	454,787	451,504	451,504	451,504
Wyoming	35,598	35,979	35,979	35,979
District of Columbia	58,035	55,100	55,100	55,100
American Samoa	10,000	10,000	10,000	10,000
Guam	10,333	10,000	10,000	10,000
Puerto Rico	325,823	313,578	313,578	313 578
Trust Territory	10,602	10,200	10,200	10,200
Virgin Islands	10,000	10,000	10,000	10,000

1/ Distribution based on FY 1974 estimated State products of (1) FY 1974 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum of $10,000. Population age groups are as of 7/1/71 for the 50 States and D.C., and 4/1/70 for the outlying areas.

2/ Estimated distribution of funds under provisions of section 103(a) (2) (b), P.L. 90-576, based on FY 1975 State products of (1) FY 1975 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum of $10,000. The population age groups are as of 7/1/73 for the 50 States and D.C., and 4/1/70 for the outlying areas.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education
Consumer and homemaking education

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 2/
TOTAL	$30,994,000	$35,994,000	$30,994,000	$27,994,000
Alabama	635,724	731,849	630,158	569,127
Alaska	41,555	52,690	45,368	40,974
Arizona	301,691	376,226	323,949	292,575
Arkansas	337,990	398,174	342,848	309,642
California	2,624,047	3,068,533	2,642,159	2,386,266
Colorado	365,513	445,295	383,421	346,286
Connecticut	346,822	399,086	343,634	310,353
Delaware	72,873	84,260	72,552	65,526
Florida	1,019,303	1,252,532	1,078,492	974,042
Georgia	815,605	948,922	817,069	737,936
Hawaii	107,815	132,177	113,811	102,789
Idaho	133,970	158,281	136,288	123,090
Illinois	1,369,306	1,579,920	1,360,388	1,228,635
Indiana	801,213	935,768	805,744	727,706
Iowa	440,180	502,794	432,930	391,001
Kansas	343,750	398,368	343,016	309,793
Kentucky	595,531	680,447	585,893	529,153
Louisiana	688,006	792,703	682,558	616,452
Maine	173,757	205,270	176,749	159,630
Maryland	541,344	635,578	547,263	494,261
Massachusetts	753,655	879,546	757,333	683,984
Michigan	1,268,972	1,470,509	1,266,181	1,143,551
Minnesota	592,860	691,685	595,575	537,894
Mississippi	417,934	490,545	422,383	381,475
Missouri	720,206	822,233	707,983	639,414
Montana	122,245	143,356	123,435	111,480
Nebraska	230,752	269,390	231,959	209,493
Nevada	60,022	77,157	66,435	60,000
New Hampshire	117,056	137,135	118,080	106,644
New Jersey	849,974	961,313	827,737	747,571
New Mexico	196,808	238,587	205,435	185,538
New York	2,042,372	2,363,265	2,034,836	1,837,763
North Carolina	960,979	1,093,447	941,512	850,327
North Dakota	116,893	134,805	116,073	104,831
Ohio	1,571,659	1,810,801	1,559,188	1,408,180
Oklahoma	445,165	515,179	443,596	400,632
Oregon	337,019	393,866	339,139	306,292
Pennsylvania	1,710,001	1,944,558	1,674,361	1,512,198
Rhode Island	143,765	163,786	141,027	127,369
South Carolina	515,181	595,810	513,022	463,335

	1974 Actual[1]	1975 Estimate[2]	1975 Revised[2]	1976 Estimate[2]
South Dakota	$ 124,072	144,642	124,544	112,482
Tennessee	716,778	826,237	711,430	642,527
Texas	1,913,595	2,257,766	1,944,049	1,755,767
Utah	213,360	250,914	216,048	195,123
Vermont	76,870	92,898	79,989	72,242
Virginia	784,220	904,498	778,818	703,389
Washington	512,870	585,576	504,210	455,376
West Virginia	314,444	356,128	306,643	276,944
Wisconsin	705,021	812,895	699,941	632,153
Wyoming	55,186	64,777	55,777	50,374
District of Columbia	89,966	99,203	85,419	77,146
American Samoa	10,000	10,000	10,000	10,000
Guam	16,017	17,937	15,444	13,947
Puerto Rico	505,097	564,568	486,121	439,041
Trust Territories	10,556	18,363	15,811	14,281
Virgin Islands	16,435	11,813	10,171	10,000

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[1] Distribution based on FY 1974 estimated State products of (1) FY 1974 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum of $10,000. Population age groups are as of 7/1/71 for the 50 States and D.C., and 4/1/70 for outlying areas.

[2] Estimated distribution based on FY 1975 State products of (1) FY 1975 allotment ratios with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum of $10,000. Population age groups are as of 7/1/73 for the 50 States and D.C., and 4/1/70 for outlying areas.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education
Work-Study

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$7,849,000[1/]	$9,849,000[2/]	$7,849,000[2/]	$7,849,000[2/]
Alabama	136,999	169,409	135,008	135,008
Alaska	12,636	18,293	14,578	14,578
Arizona	71,825	98,225	78,279	78,279
Arkansas	72,157	91,067	72,575	72,575
California	748,504	946,065	753,952	753,952
Colorado	90,778	122,881	97,928	97,928
Connecticut	107,404	136,004	108,387	108,387
Delaware	21,281	27,837	22,184	22,184
Florida	238,085	324,502	258,607	258,607
Georgia	180,891	229,458	182,863	182,863
Hawaii	31,589	43,346	34,544	34,544
Idaho	30,259	38,972	31,058	31,058
Illinois	405,343	503,455	401,220	401,220
Indiana	200,510	250,535	199,659	199,659
Iowa	108,402	131,630	104,900	104,900
Kansas	87,786	108,963	86,836	86,836
Kentucky	128,021	155,888	124,233	124,233
Louisiana	150,965	185,714	148,002	148,002
Maine	37,575	47,721	38,030	38,030
Maryland	148,304	191,281	152,438	152,438
Massachusetts	209,483	263,260	209,801	209,801
Michigan	352,139	441,816	352,098	352,098
Minnesota	150,300	187,702	149,586	149,586
Mississippi	93,106	115,723	92,224	92,224
Missouri	173,243	216,732	172,721	172,721
Montana	28,264	35,791	28,523	28,523
Nebraska	57,859	71,979	57,362	57,362
Nevada	17,291	24,258	19,332	19,332
New Hampshire	27,267	34,598	27,572	27,572
New Jersey	250,056	312,572	249,099	249,099
New Mexico	43,228	57,265	45,636	45,636
New York	626,469	769,897	613,557	613,557
North Carolina	209,156	256,500	204,413	204,413
North Dakota	26,269	32,609	25,987	25,987
Ohio	406,003	506,637	403,756	403,756
Oklahoma	97,429	122,484	97,611	97,611
Oregon	81,468	102,998	82,082	82,082
Pennsylvania	428,619	526,918	419,919	419,919
Rhode Island	35,580	44,142	35,178	35,178
South Carolina	113,390	138,788	110,605	110,605

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 2/
South Dakota	$ 27,932	$ 34,598	$ 27,572	27,572
Tennessee	150,965	185,714	148,002	148,002
Texas	446,243	567,083	451,928	451,928
Utah	48,216	62,435	49,756	49,756
Vermont	17,624	22,270	17,748	17,748
Virginia	184,217	235,821	187,933	187,933
Washington	133,008	161,853	128,986	128,986
West Virginia	66,837	79,932	63,701	63,701
Wisconsin	173,243	216,732	172,721	172,721
Wyoming	13,301	17,498	13,945	13,945
District of Columbia	26,934	32,212	25,671	25,671
American Samoa	1,205	1,441	1,149	1,149
Guam	3,426	4,097	3,265	3,265
Puerto Rico	113,858	136,166	108,516	108,516
Trust Territory	2,115	4,704	3,749	3,749
Virgin Islands	3,933	2,529	2,015	2,015

1/ Distribution based on the 15-20 population age group as of 7/1/71 for the 50 States and D.C., and 4/1/70 for the outlying areas.

2/ Estimated distribution on the basis of the 15-20 population age group as of 7/1/73 for the 50 States and D.C., and 4/1/70 for the outlying areas.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education
Cooperative Education

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$19,500,000 1/	$19,500,000 2/	$19,500,000 2/	$19,500,000 2/
Alabama	355,934	354,029	354,029	354,029
Alaska	213,772	215,743	215,743	215,743
Arizona	280,855	288,929	288,929	288,929
Arkansas	282,188	282,972	282,972	282,972
California	1,036,981	1,038,653	1,038,653	1,038,653
Colorado	301,291	308,501	308,501	308,501
Connecticut	322,171	322,968	322,968	322,968
Delaware	223,990	224,679	224,679	224,679
Florida	469,220	493,166	493,166	493,166
Georgia	403,470	405,089	405,089	405,089
Hawaii	234,652	237,018	237,018	237,018
Idaho	234,652	235,316	235,316	235,316
Illinois	658,474	654,004	654,004	654,004
Indiana	427,460	425,087	425,087	425,087
Iowa	323,059	319,564	319,564	319,564
Kansas	298,625	297,013	297,013	297,013
Kentucky	343,051	340,414	340,414	340,414
Louisiana	370,151	368,496	368,496	368,496
Maine	242,649	243,401	243,401	243,401
Maryland	367,485	371,475	371,475	371,475
Massachusetts	434,568	435,299	435,299	435,299
Michigan	600,720	599,115	599,115	599,115
Minnesota	371,039	368,922	368,922	368,922
Mississippi	305,289	305,523	305,523	305,523
Missouri	395,473	395,728	395,728	395,728
Montana	232,431	232,763	232,763	232,763
Nebraska	265,306	264,675	264,675	264,675
Nevada	219,547	221,700	221,700	221,700
New Hampshire	230,210	231,487	231,487	231,487
New Jersey	485,213	484,231	484,231	484,231
New Mexico	249,757	251,910	251,910	251,910
New York	906,813	893,132	893,132	893,132
North Carolina	432,347	427,640	427,640	427,640
North Dakota	229,765	229,359	229,359	229,359
Ohio	662,027	657,408	657,408	657,408
Oklahoma	310,176	310,203	310,203	310,203
Oregon	293,294	292,333	292,333	292,333
Pennsylvania	688,239	676,555	676,555	676,555
Rhode Island	239,095	239,146	239,146	239,146
South Carolina	325,281	323,819	323,819	323,819

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 2/
South Dakota	$ 231,987	$ 231,487	$ 231,487	231,487
Tennessee	369,706	368,071	368,071	368,071
Texas	701,566	706,340	706,340	706,340
Utah	254,644	255,314	255,314	255,314
Vermont	219,992	219,998	219,998	219,998
Virginia	404,358	408,918	408,918	408,918
Washington	349,271	344,668	344,668	344,668
West Virginia	275,968	273,185	273,185	273,185
Wisconsin	396,362	395,728	395,728	395,728
Wyoming	215,549	215,743	215,743	215,743
District of Columbia	228,877	228,083	228,083	228,083
American Samoa	(	(	(	(
Guam	(	(	(	(
Puerto Rico	(585,000	(585,000	(585,000	(585,000
Trust Territory	(	(	(	(
Virgin Islands	(	(	(	(

1/ Distribution with 1 percent ($585,000) reserved for the outlying areas and the balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the basis of the 15-19 population, July 1, 1971.

2/ Estimated distribution based on 1 percent reserved for the outlying areas and the balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the 15-19 population age group as of 7/1/73.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Innovation

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$16,464,853[1]	$16,000,000[2]	$16,000,000[2]	$16,000,000[2]
Alabama	295,189	294,026	294,026	294,026
Alaska	208,407	209,610	209,610	209,610
Arizona	249,356	254,286	254,286	254,286
Arkansas	248,303	250,649	250,649	250,649
California	688,537	711,948	711,948	711,948
Colorado	261,832	266,234	266,234	266,234
Connecticut	410,935	275,065	275,065	275,065
Delaware	214,247	215,065	215,065	215,065
Florida	578,551	378,961	378,961	378,961
Georgia	324,207	325,195	325,195	325,195
Hawaii	222,571	222,597	222,597	222,597
Idaho	221,153	221,558	221,558	221,558
Illinois	479,872	477,143	477,143	477,143
Indiana	338,851	337,403	337,403	337,403
Iowa	275,121	272,987	272,987	272,987
Kansas	260,205	259,221	259,221	259,221
Kentucky	287,324	285,714	285,714	285,714
Louisiana	303,807	302,857	302,857	302,857
Maine	226,035	226,494	226,494	226,494
Maryland	302,240	304,675	304,675	304,675
Massachusetts	337,961	343,636	343,636	343,636
Michigan	444,616	443,636	443,636	443,636
Minnesota	307,509	303,117	303,117	303,117
Mississippi	264,271	264,416	264,416	264,416
Missouri	319,325	319,481	319,481	319,481
Montana	219,797	220,000	220,000	220,000
Nebraska	239,865	239,481	239,481	239,481
Nevada	212,270	213,247	213,247	213,247
New Hampshire	218,441	219,221	219,221	219,221
New Jersey	384,795	373,506	373,506	373,506
New Mexico	230,373	231,688	231,688	231,688
New York	645,685	623,117	623,117	623,117
North Carolina	400,917	338,961	338,961	338,961
North Dakota	218,170	217,922	217,922	217,922
Ohio	482,041	479,221	479,221	479,221
Oklahoma	267,256	267,273	267,273	267,273
Oregon	257,221	256,364	256,364	256,364
Pennsylvania	498,041	490,909	490,909	490,909
Rhode Island	223,865	223,896	223,896	223,896
South Carolina	276,477	275,584	275,584	275,584

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 2/
South Dakota	$ 219,526	$ 219,221	$ 219,221	219,221
Tennessee	303,596	302,597	302,597	302,597
Texas	505,877	509,091	509,091	509,091
Utah	233,357	233,766	233,766	233,766
Vermont	212,205	212,208	212,208	212,208
Virginia	324,769	327,532	327,532	327,532
Washington	291,121	288,312	288,312	288,312
West Virginia	246,374	244,675	244,675	244,675
Wisconsin	319,867	319,481	319,481	319,481
Wyoming	209,492	209,610	209,610	209,610
District of Columbia	217,628	217,143	217,143	217,143
American Samoa	4,877	4,665	4,665	4,665
Guam	12,893	12,159	12,159	12,159
Puerto Rico	457,045	440,086	440,086	440,086
Trust Territory	15,126	15,126	15,126	15,126
Virgin Islands	3,982	7,964	7,964	7,964

1/ Distribution of total amount with 3% reserved for the outlying areas; balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the 15-19 population, 7/1/71. Fifty percent of the funds are allotted to the States and fifty percent at the discretion of the Commissioner.

2/ Estimated distribution of the total with 3% reserved for the outlying areas; balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the 15-19 population, 7/1/73. Fifty percent of the funds are alloted to the States and fifty percent at the discretion of the Commissioner.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Research

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$ 17,870,[illegible] 1/	$18,000,000 2/	$18,000,000 2/	$18,000,000 2/
Alabama	339,529	366,030	366,030	366,030
Alaska	22,193	26,352	26,352	26,352
Arizona	584,805	188,167	188,167	188,167
Arkansas	180,513	199,144	199,144	199,144
California	1,387,035	1,534,710	1,534,710	1,534,710
Colorado	195,154	222,712	222,712	222,712
Connecticut	185,231	199,601	199,601	199,601
Delaware	38,916	42,142	42,142	42,142
Florida	544,391	626,447	626,447	626,447
Georgia	566,600	474,598	474,598	474,598
Hawaii	57,414	66,107	66,107	66,107
Idaho	71,550	79,163	79,163	79,163
Illinois	731,321	790,188	790,188	790,188
Indiana	427,914	468,019	468,019	468,019
Iowa	235,092	251,470	251,470	251,470
Kansas	183,579	199,242	199,242	199,242
Kentucky	318,062	340,322	340,322	340,322
Louisiana	367,452	396,466	396,466	396,466
Maine	92,800	102,665	102,665	102,665
Maryland	289,122	317,880	317,880	317,880
Massachusetts	402,348	439,900	439,900	439,900
Michigan	676,623	735,467	735,467	735,467
Minnesota	316,636	345,942	345,942	345,942
Mississippi	229,511	245,343	245,343	245,343
Missouri	349,432	411,235	411,235	411,235
Montana	65,290	71,698	71,698	71,698
Nebraska	123,241	134,734	134,734	134,734
Nevada	32,057	38,589	38,589	38,589
New Hampshire	62,517	68,587	68,587	68,587
New Jersey	453,955	480,795	480,795	480,795
New Mexico	105,111	119,328	119,328	119,328
New York	1,081,794	1,181,944	1,181,944	1,181,944
North Carolina	692,381	546,881	546,881	546,881
North Dakota	62,430	67,422	67,422	67,422
Ohio	954,121	905,662	905,662	905,662
Oklahoma	237,824	257,664	257,664	257,664
Oregon	179,996	196,990	196,990	196,990
Pennsylvania	913,030	972,560	972,560	972,560
Rhode Island	76,459	81,917	81,917	81,917
South Carolina	275,148	297,991	297,991	297,991

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate _/
South Dakota	$ 66,264	72,342	72,342	72,342
Tennessee	382,818	413,238	413,238	413,238
Texas	1,021,755	1,129,210	1,129,210	1,129,210
Utah	111,951	125,493	125,493	125,493
Vermont	41,035	46,463	46,463	46,463
Virginia	416,201	452,380	452,380	452,380
Washington	273,896	292,872	292,872	292,872
West Virginia	167,940	178,115	178,115	178,115
Wisconsin	362,640	406,564	406,564	406,564
Wyoming	29,474	32,398	32,398	32,398
District of Columbia	598,699	49,616	49,616	49,616
American Samoa	1,459	2,807	2,807	2,807
Guam	4,652	8,971	8,971	8,971
Puerto Rico	269,763	282,365	282,365	282,365
Trust Territory	8,778	9,184	9,187	9,184
Virgin Islands	3,066	5,908	5,908	5,908

1/ Distribution based on FY 1974 estimated State products. Fifty percent of the funds are for use by the States and fifty percent at the discretion of the Commissioner of Education.

2/ Estimated distribution based on estimated FY 1975 State products. Fifty percent of the funds are for use by the State and fifty percent reserved by the Commissioner of Education.

PARTNERSHIP BETWEEN LABOR AND EDUCATION

Mr. FLOOD. You will remember the President spoke at Ohio University about a new partnership between labor and education.

What has your office been able to do to bring about this new partnership?

Dr. PIERCE. Many of us at this table were personally involved in that effort between labor, commerce, and HEW.

Mr. FLOOD. Yes; I know.

Dr. PIERCE. The proposal has been submitted to the President. He has not, because of the way the budget came forward, responded specifically to that proposal.

We in the Department of Health, Education, and Welfare are, however, in the process of establishing a series of committees that will respond to the various points of that recommended plan.

In vocational education specifically, many of the proposals, many of the activities, are in a sense very familiar to vocational educators. It includes activities such as cooperative education. The vocational educators have been involved in this for a long time.

The proposal simply suggests that some of those activities be expanded to young people in general education programs. A young person who is interested in becoming a doctor might well spend some time observing practices and working in a hospital in a lower skilled position before doing that, and so we have initiated ways in which more work experience, could be tied with the educational program.

REDIRECTION OF VOCATIONAL EDUCATION FUNDING

Mr. FLOOD. Today, of course, the country is plagued with high unemployment. You hear about double digit unemployment and so on, especially among unskilled laborers and youth. The training supported by the Vocational Education Act is important in keeping people employed. This supports education at the secondary level, postsecondary, those who dropped out of school, those who need to be retrained and for the disadvantaged and the handicapped. There it is.

In light of this employment situation, and the technical demands upon workers, as we saw in the papers just last night quite a story about the situation locally in the D.C. area, all kinds of jobs, but they don't have the technical skills.

Do you think the existing programs under the Vocational Education Act should be continued?

Now we have the rising costs of these. Do you think Federal funds for vocational training should be increased?

Dr. PIERCE. I think Federal funds, as I said, Mr. Chairman, should be redirected so that they focus on new and innovative activities and not on the maintenance of some of the ongoing programs. Federal funds have indeed been increased as you are talking about through the legislation of which you are quite aware.

One of the things we have the responsibility for and are trying to do in HEW is to coordinate the activities of the prime sponsors who have the major responsibility for those CETA dollars with the educational programs that exist in their communities, so that those individuals get not only public service employment, which is called for by that act, but also simultaneously get skill training. That is permissible under this act and we are trying to expand such arrangements.

STATE SUPPORT

Mr. Flood. From the trend and we see a lot published, it appears youth are entering the 4-year institutions and more are seeking vocational training. If enrollment continues to increase, how can the States make these demands?

Dr. Pierce. They have been very successful in doing that. They continue to increase the State and local proportion of funds for vocational education in a manner in which there are now $5.29 on an average State and local dollars for every dollar of Federal money.

Over the last few years for about every $31 of additional Federal money the State and local communities have increased their contribution by about $310 per individual, per additional enrollee.

This brings up the question as to what is that breakoff point, and I really don't know. That depends, of course, on the State budget and the resources that are available at the State and local levels.

It is our feeling that the general vocational education program, is a State and local responsibility, and that the Federal funds ought to be used to improve that system.

VOCATIONAL EDUCATION ENROLLMENT

Mr. Flood. How many students are now enrolled in the vocational education program?

Dr. Pierce. Right now in 1974 we have almost 13 million total, with 7.7 million at the secondary level.

Mr. Flood. What do you estimate it will be in 1976?

Dr. Pierce. We estimate it will be over 15 million, 15.2 million, with about 9 million at the secondary level.

FEDERAL SHARE

Mr. Flood. What is the Federal share of the total cost in both percentages and in dollars? In other words, is the Federal percentage of the total cost increasing or decreasing? What is it? Is it going up or down?

Dr. Pierce. The Federal percentage of the total vocational education?

Mr. Flood. Total cost, percentage and dollars.

Dr. Pierce. The total cost is around $3 billion. The Federal amount is $530 million. That means about 17.6 percent of the total contribution to vocational education is Federal money.

Mr. Flood. Is the Federal cost increasing or decreasing?

Dr. Pierce. It is decreasing.

Mr. Flood. You can do this for the record.

Supply information on vocational education, the enrollments in high school and postsecondary and adult for fiscal 1975 and fiscal 1976.

Dr. Pierce. We have that. However, the 1975 and 1976 figures will be estimates at this time.

[The information follows:]

Insert page 159[illegible]A

VOCATIONAL EDUCATION

Supplementary Data
(In thousands)

ENROLLMENTS PROJECTIONS	FY 1974	FY 1975	FY 1976
All Programs:			
Total................................	12,997	14,061	15,289
Secondary	(7,700)	(8,329)	(9,027)
Postsecondary	(1,788)	(2,031)	(2,344)
Adult	(3,509)	(3,701)	(3,918)
Basic Grants, (Part B):			
Total................................	9,165	9,950	10,980
Secondary	(4,820)	(5,321)	(5,891)
Postsecondary	(1,675)	(1,904)	(2,204)
Adult	(2,670)	(2,725)	(2,885)
Special Needs (Sec. 102(b)):			
Total................................	184	201	218
Secondary	(120)	(130)	(140)
Postsecondary	(25)	(30)	(35)
Adult	(39)	(41)	(43)
Consumer and Homemaking, (Part F):			
Total................................	3,435	3,675	3,835
Secondary	(2,600)	(2,700)	(2,800)
Postsecondary	(35)	(40)	(45)
Adult	(800)	(935)	(990)
Cooperative, (Part G):			
Total................................	177	196	214
Secondary	(132)	(149)	(165)
Postsecondary	(45)	(47)	(4[illegible])
Work-Study, (Part H):			
Total................................	36	39	42
Secondary	(28)	(29)	(31)
Postsecondary	(8)	(10)	(11)

CETA PROGRAM

Mr. Flood. You mentioned CETA, the Comprehensive Employment and Training Act. That is administered by the Labor Department?

Dr. **Pierce.** Yes.

Mr. **Flood.** It includes provisions for vocational education.

What effect does that have on the State vocational education program?

Dr. **Pierce.** In general the State vocational education program is the delivery system for the training under CETA. The 5 percent of the CETA dollars that are set aside for vocational education help the vocational education schools, the area centers, the community colleges, and the technical institutes, to provide training for the people who are selected for the CETA programs.

Mr. **Flood.** How much is available to the States for the program?

Dr. **Pierce.** I will have to provide that. I don't remember that figure, Mr. Chairman.

Mr. **Flood.** How do the States use these CETA funds?

Dr. **Pierce.** It is $79 million. I just remembered.

Mr. **Flood.** How do the States use these CETA funds?

Mr. **Pierce.** The funds that are available to the States, the 5 percent?

Mr. **Flood.** The vocational agencies.

Dr. **Pierce.** They use them for a number of purposes: To provide specific training for the trainees. Some of it is also being used for in-service training of instructors. Some of it is being used even to provide day-care facilities for women who are enrolled in those programs, but the majority of it is used to provide specific skills training to the individuals.

GAO STUDY OF VOCATIONAL EDUCATION

Mr. **Flood.** The purpose of the Vocational Education Act is to maintain and to expand the efforts for educational training.

Dr. **Pierce.** That is right.

Mr. **Flood.** Of the students who will be prepared for immediate employment. This is what we say, but according to that recent GAO report on vocational education, the Federal program could best be described as an educational disaster, I suppose.

You remember some of the GAO findings were that students have been trained for jobs which don't exist. Job market trends have been ignored. Low-income and handicapped students have been neglected. States have used a disproportionate share of the Federal funds for administrative overhead.

Do you agree with the GAO findings? That is one thing you learn if you are an old prosecuting attorney. You always wind up that way.

If you do, what do you plan to do about it?

Dr. **Pierce.** We agree with most of the recommendations in the GAO report, and we have already submitted to the appropriate committee of the House and Senate the steps that we will take to implement our response to those recommendations.

What we don't agree with are many of the findings that led to those recommendations. For example, certainly you can find examples around the country where people were trained for jobs in the economy when the training began, but when they graduated the labor market had changed so they didn't exist, but the way that report was written implies that is what is happening all around the country. That in our opinion is certainly not true.

Certainly you can find cases where young people could not find employment. The fact remains that, of those people who are eligible for employment after their training, 90 percent of those people are placed. They are employed, and 67 percent of them are placed in jobs for which they were trained.

We think that is a pretty good record. Granted you can find examples of young people who were not employed, so we do take exception to those findings.

For your information, Mr. Chairman, we have done an analysis of each of the findings.

Mr. FLOOD. I am sure of that. I take for granted you have an analysis of the GAO report and their conclusions and findings.

Dr. PIERCE. Yes, sir, I do. I have it here and I would be happy to submit that for the record.

Mr. FLOOD. Suppose you do that.

[The information follows:]

REVIEW OF GAO REPORT ON VOCATIONAL EDUCATION

"What is the role of Federal assistance for vocational education?"

The staff of the Bureau of Occupational and Adult Education made an extensive analysis of the GAO report. The following is a summary of its reactions to each of the findings in the report.

EXPLANATION OF BOAE REACTION CATEGORIES

1. *Agree.*—Concurrence with finding.
2. *Finding not supported by facts.*—Failure to cite evidence (documented data or examples) that support the finding.
3. *Finding based on inappropriate assumptions.*—Hypothesis advanced at variance with long established practice or current legal interpretation of the act.
4. *Finding not justified.*—Evidence provided subject to various interpretations. Additional analysis of evidence leads to different conclusions.

CHAPTER 2.—WHAT ROLE DOES THE FEDERAL DOLLAR PLAY?

<table>
<tr><th>GAO findings</th><th>BOAE reaction</th><th>Basis for BOAE reaction</th></tr>
<tr><td>VEA funds do not necessarily play catalytic role (p. 9).</td><td>Finding not justified</td><td>While we agree with the way the finding is worded in the GAO Report we believe the catalytic role of Federal funds is overemphasized. The act provides "to maintain, extend, and improve." Catalytic effect is, however, evidenced by such as the following:
(1) State and local expenditures increased twice as much as Federal funds.
PT. B—EXPENDITURES
[In thousands]
<table>
<tr><th></th><th colspan="5">Fiscal year—</th><th>Increase, 1969-73</th></tr>
<tr><th></th><th></th><th>1970</th><th>1971</th><th>1972</th><th>1973</th><th></th></tr>
<tr><td>Total</td><td>$1,635,756</td><td>$2,066,439</td><td>$2,321,053</td><td>$2,664,438</td><td>$2,512,918</td><td></td></tr>
<tr><td>Federal</td><td>265,812</td><td>317,083</td><td>370,133</td><td>387,664</td><td>160,137</td><td></td></tr>
<tr><td>State/local</td><td>1,369,944</td><td>1,749,356</td><td>1,950,918</td><td>2,276,774</td><td>1,352,782</td><td></td></tr>
<tr><td>Percent increase over previous year:</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Federal</td><td>16.8</td><td>19.3</td><td>16.7</td><td>4.7</td><td>70.4</td><td></td></tr>
<tr><td>State/local</td><td>48.3</td><td>27.7</td><td>11.5</td><td>16.7</td><td>146.4</td><td></td></tr>
</table>
(2) Total enrollment in vocational education increased from 7,979,366 in 1969 to 12,072,445 in 1973 or 51 percent.
(3) Enrollment of persons with special needs increased from 143,420 in 1969 to 1,829,720 in 1973 or 1,176 percent.
(4) The number of area vocational schools increased from 1,296 in 1969 to 2,148 in 1973 or 66 percent.</td></tr>
<tr><td>Large amounts of Federal funds retained at State level (p. 10).</td><td>Finding not supported by facts.</td><td>Due to the limitations placed on the amount of data which may be collected from States, reports do not provide specifically the amount of State level expenditures. Expenditure data is available for the 8 purposes specified in the act. For the purpose of ancillary service, as observed by GAO, fiscal year 1973 expenditures were $63,073,834 or 16.3 percent of the total Federal expenditures under pt. B. Ancillary service, however,, is a generic term for those activities which assure quality in vocational education programs such as teacher education, supervision, planning evalution, special demonstration and experimental programs, and development of instructional materials, in addition to State administration and leadership. It must be recognized also that the expenditures so reported include the support of ancillary services at the local level such as payment of salaries of local directors and supervisors.</td></tr>
<tr><td>Proportion of Federal funds expended for administrative type activities has been increasing (p. 11)</td><td>Finding not supported by facts.</td><td>Expenditures for ancillary services reported under pt. B have increased, but the extent of such expenditures for administrative type activities is not known. The assumption by GAO that 85 percent of ancillary service expenditures are primarily administrative type activities is not supported by facts. The States do report total expenditures (Federal, State, and local) for the ancillary services of (1) administration, supervision, and evaluation, (2) teacher education, (3) research and demonstration, and (4) curriculum development. The expenditures for the category of administration, supervision, and evaluation for the past 3 fiscal years are as follows:
<table>
<tr><th></th><th>Total expenditures, pt. B</th><th>Expenditures administration, supervision and evaluation</th><th>Percent of total</th></tr>
<tr><td>Fiscal year 1971</td><td>$1,804,265,000</td><td>$133,163,000</td><td>7.4</td></tr>
<tr><td>Fiscal year 1972</td><td>2,084,765,000</td><td>178,810,000</td><td>8.6</td></tr>
<tr><td>Fiscal year 1973</td><td>2,443,208,000</td><td>212,898,000</td><td>8.7</td></tr>
</table>
</td></tr>
</table>

CHAPTER 2.—WHAT ROLE DOES THE FEDERAL DOLLAR PLAY?—Continued

<table>
<tr><th>GAO findings</th><th>BOAE reaction</th><th>Basis for BOAE reaction</th></tr>
<tr><td></td><td></td><td>It is apparent from the above that expenditures for administrative type expenditures at the State and local levels are increasing. However, the percent of funds for this function has remained relatively constant.
Even though States do not report the above expenditures by source of funds it may be assumed that the same matching provided for ancillary services, in total, will apply to the administrative type activities. The following are the expenditures for ancillary services, under pt. B, reported by the States during the past 3 years:
<table>
<tr><th></th><th>Total expenditures</th><th>Federal expenditures</th><th>Percent of total</th></tr>
<tr><td>Fiscal year 1971</td><td>$117, 711, 714</td><td>$40, 072, 020</td><td>34. 0</td></tr>
<tr><td>Fiscal year 1972</td><td>157, 585, 091</td><td>50, 178, 827</td><td>31. 8</td></tr>
<tr><td>Fiscal year 1973</td><td>205, 993, 463</td><td>63, 073, 834</td><td>30. 6</td></tr>
</table>
As can be observed, the proportion of Federal funds in relation to the States' total expenditures for ancillary has been decreasing. We do agree that data reporting needs to be improved and expanded. We are reviewing the need for additional data to see where improvements can be made.</td></tr>
<tr><td>Proportion of Federal support for administration has exceeded Federal share of State program (p. 13).</td><td>Agree</td><td>The Vocational Education Amendments of 1968 eliminated purpose-by-purpose matching and requires State-wide matching of pt B funds. Due to the limited State resources it may be expected that Federal funds will be used to a greater extent to support administrative costs: We view this as having a positive rather than a negative effect in that expenditures of Federal funds for State leadership may provide the greatest incentive for program initiatives. Resources for administration, especially planning and monitoring programs, are often the limiting factor in providing the catalyst for new or redirected programs. Since the intent of the legislation was to give greater flexibility to the States, we believe the States are in the best position to determine where the Federal funds will stimulate the greatest improvement.</td></tr>
<tr><td>Ratio of State and local support to Federal pt. B support (p. 14).</td><td>Finding not justified</td><td>As indicated previously, during the period 1969 to 1973 State and local expenditures increased 146 percent while Federal expenditures increased only 70 percent. While in every State there was a substantial increase in State and local funds the increase could not be expected to be in direct proportion to the annual increase in Federal funds. In many States there was a lag in obtaining matching funds, at the same ratio as before, because legislatures must respond and local educational agencies must seek new resources. Actually 34 States expended more State and local dollars for every Federal dollar in fiscal year 1973 than in fiscal year 1970. Of the 17 States having a lower ratio in 1973 than in 1970:
4 States (Delaware, Georgia, Maryland, North Dakota) decreased less than $0.50.
5 States (Kentucky, Missouri, Nevada, New Hamsphire, Ohio) decreased from $0.51 to $1.
4 States (District Columbia, Iowa, South Carolina, Wyoming) decreased from $1 to $1.50.
2 States (Alabama, Connecticut) decreased from $1.51 to $2.
2 States (Maine, New York) decreased from $3.40 to $13.87.
Further analysis of the data reveals that State matching ratios fluctuate from year to year depending on the amount of funds available from the various sources. For example, 20 States had a lower ratio in 1971 than in 1970; 26 States had a lower ratio in 1972 than in 1971 and 18 States had a lower ratio in 1973 than in 1972. It is interesting to note that of the 17 States with a lower ratio in 1973 than in 1970, only 2 States (Alabama and Wyoming) declined in each of the 3 yr.</td></tr>
<tr><td>Persons with special needs have not been given a high priority (p. 15).</td><td>Finding based on inappropriate assumptions.</td><td>The Vocational Education Amendments of 1968 eliminated purpose-by-purpose matching and requires statewide matching of pt. B funds. As a result, in order to provide incentive for special needs programs, States may direct more Federal funds to this purpose. Naturally this results in a lower matching ratio than for other purposes not so favored but has in fact obtained the desired effort as revealed by the following:</td></tr>
</table>

FEDERAL EXPENDITURES FOR PROGRAMS FOR PERSONS WITH SPECIAL NEEDS, FISCAL YEARS 1965 TO 1973

[In thousands]

	Total expenditures Vocational Education Act of 1963	Expenditures special needs	Percent
Fiscal year 1965	$103, 109	$346	0. 34
Fiscal year 1966	193, 270	1, 853	0. 96
Fiscal year 1967	225, 865	3, 559	1. 58
Fiscal year 1968	230, 420	6, 167	2. 68
Fiscal year 1969	227, 527	7, 884	3. 47
Vocational Education Amendments of 1968:			
Fiscal year 1970	265, 813	63, 761	24. 0
Fiscal year 1971	317, 083	85, 691	27. 0
Fiscal year 1972	370, 133	101, 465	27. 3
Fiscal year 1973	387, 664	109, 550	28. 7

During the period 1965 to 1969 enrollment in programs for persons with special needs increased from 25,638 to 143,420 but under the Vocational Education Amendments of 1968 increased to 920,603 in 1970 and up to 1,829,720 in 1973. While there has been some decrease in State and local matching funds for such programs (from 76.3 percent in 1969 to 63.6 percent in 1973), there is no evidence to indicate that this has been a negative influence.

Minimum percentage requirements not met.

Finding not justified.....

The report maintained that a general failure existed among the States, presumably with the full knowledge of the BOAE, to meet both the 15 percent pt. B 102(a) set-aside for the disadvantaged (21 State failures in fiscal year 1970, 15 in fiscal year 1971, 15 in fiscal year 1972, and 14 in fiscal year 1973) and the 10 percent set-aside for the handicapped (31 State failures in fiscal year 1970, 13 in fiscal year 1971, 18 in fiscal year 1972, and 14 in fiscal year 1973). After reviewing these calculations, it became clear that the GAO study team had measured expenditures during a given single year against the pt. B 102(a) appropriations for that year alone. However, the effect of the Tydings amendment is, in most cases, to extend the expenditure of any single year's appropriations over two successive years. Taking this into account gives a much different result, as follows:

Type of set-aside	Failures, by fiscal year [1]			
	1970	1971	1972	1973
Disadvantaged (15 percent)	2	2	1	NA
Handicapped (10 percent)	8	5	5	NA

[1] See attachments I, II, and III.

In most of the above cases, extremely small amounts were involved (3 of the 5 dicadvantaged cases involved less than $5,000 each; and 9 of the 18 handicapped cases fell within the same limit). All of these unexpended funds were returned to the United States Treasury. (See attachment IV.)

<table>
<tr><th>GAO findings</th><th>BOAE reaction</th><th>Basis for BOAE reaction</th></tr>
<tr><td>Increased funding has not necessarily resulted in increased enrollment (p. 17).</td><td>Finding based on inappropriate assumptions.</td><td>We do not see any validity in the assumption that enrollment growth should parallel or necessarily be equated with increased Federal funding. This is particularly questionable in a period of spiraling inflation. It is true that expenditures increased more rapidly than enrollment. Federal expenditures under Part B increased 70.4 percent while enrollment increased 51 percent, during the period 1969 to 1973. Consideration must, however, be given to the type of programs being supported and the quality of such programs. The Vocational Education Amendments of 1968 focused attention on a number of new and redirected programs, many of which are more expensive than the traditional programs due to such factors as the intensity of the program, size of class, and equipment requirements.
The following are examples of program shifts:
In 1964 the enrollment in agricultural production was 860,605 while in 1973 the enrollment decreased to 561,868 or a decrease of 34.7 percent. During the same time period the enrollment in off-farm agricultural occupations, many with work experience components, increased from 0 to 365,723.
Enrollment in technical programs at the postsecondary level about doubled from 706,085 in 1969 to 1,349,731 in 1973.
Enrollment of persons with special needs increased from 143,420 in 1969 to 1,829,720 in 1973, including 228,086 handicapped persons.
Enrolled in health occupations increased from 175,101 in 1969 to 421,075 in 1973.
Enrollment in home economics programs for gainful employment increased from 113,297 in 1969 to 322,696 in 1973.
Selected occupational programs with large percentage increases in enrollment:
<table>
<tr><th></th><th>1970</th><th>1973</th></tr>
<tr><td>Floristry</td><td>2, 274</td><td>6, 615</td></tr>
<tr><td>Industrial marketing</td><td>7, 080</td><td>12, 543</td></tr>
<tr><td>Recreation and tourism</td><td>3, 202</td><td>17, 689</td></tr>
<tr><td>Radiologic technology</td><td>2, 316</td><td>7, 316</td></tr>
<tr><td>Associate degree nurse</td><td>26, 884</td><td>77, 912</td></tr>
<tr><td>Occupational therapy assistant</td><td>458</td><td>1, 721</td></tr>
<tr><td>Mental health technology</td><td>0</td><td>6, 555</td></tr>
<tr><td>Medical assistant</td><td>3, 831</td><td>14, 422</td></tr>
<tr><td>Care and guidance of children</td><td>27, 775</td><td>83, 202</td></tr>
<tr><td>Electromechanical technology</td><td>1, 877</td><td>4, 366</td></tr>
<tr><td>Environmental control technology</td><td>2, 035</td><td>6, 603</td></tr>
<tr><td>Police science technology</td><td>18, 796</td><td>53, 084</td></tr>
<tr><td>Small engine repair</td><td>13, 028</td><td>31, 915</td></tr>
<tr><td>Air pollution technology</td><td>0</td><td>763</td></tr>
<tr><td>Electrical occupations</td><td>61, 849</td><td>105, 584</td></tr>
<tr><td>Water and waste water technology</td><td>169</td><td>1, 298</td></tr>
</table></td></tr>
<tr><td>OE monitoring has been inadequate (p. 18).</td><td>Finding not supported by facts.</td><td>We view the OE Federal role as one of primarily assisting the States to use the funds for the purposes specified in the act rather than the various policing activities perceived by GAO. Our efforts are directed toward development of regulations and policies for administration of the act and provision of leadership in focusing on national needs. Auditing of expenditures is a responsibility of the HEW Audit Agency. We assist, however, in determining proper understanding of programmatic matters and the justifiability of audit exceptions.
Due to the severe limitation of staff, monitoring of State and local programs as envisioned by GAO is impossible. However, considerable review and analysis of statistical and fiscal data submitted on annual State reports is made and does indeed provide knowledge of the impact of Federal vocational funding.</td></tr>
</table>

		State plans are also carefully reviewed both at the regional and headquarters offices, not merely to verify that State plans contain statements of assurance but to determine the extent to which the State's manpower and vocational needs are to be met. The State plan does require planning in relation to past performance in that data are required for the current year, the planning year, and the 5th year. State annual descriptive reports also assess at the end of the year State performance in relation to the objectives set forth at the beginning of the year. (See attachment V.) State advisory councils similarly in their evaluations assess accomplishments of planned objectives. (See attachment VI.)

CHAPTER 3.—HOW IS VOCATIONAL EDUCATION PLANNED?

State and local plans reflect compliance rather than planning (p. 22).	Finding not supported by facts.	State plans are now recognized as valid planning instruments and serve as a basis for measuring program impact and proposing legislation. It must be recognized the present State plan consists of two parts: Part I is compliance, part II is planning. Part I, administrative and fiscal policies, was developed in compliance with the law and is modified only when changes occur in State or Federal statutes or policies which require amendments. Part I does not have to be resubmitted annually. This part insures that the intent of Congress is carried out and also serves as a legal agreement between the states and the Federal Government. Part II is the annual and long-range plan. Prepared each year, it describes the State's goals, objectives and activities, and indicates the State's needs. These have been returned frequently to the States for substantial revisions prior to final approval.
"State plans seldom have been returned for substantive revision" (p. 23).	Finding not supported by facts.	Region IV: Region IV State plans were not disapproved because many hours of technical assistance were provided by the regional staff to States prior to official submission of State plans. Region V: The Minnesota State plan was returned with a request by region V program officers for clarification of 29 items. Many of these were of considerable substance treating with program structures for adult, disadvantaged, and handicapped; program goals and objectives for elementary and secondary programs; and research and demonstration priorities. The Ohio State plan was returned with 25 items needing clarification or revision. Region VI: Region VI assured the GAO team that given the level of regional staffing, past State plans had been given meaningful managerial reviews. Region IX: The GAO team was advised that, "California's State plan has never been approved since 1967 without obtaining substantive modifications." Region X: Numerous conferences and phone conversations were held with the State departments of education of Alaska, Idaho, Oregon, and Washington. In most cases, the plans of these States required substantial revision before approval could be given. In the proposed USOE legislation there will be even more flexibility to permit each State to develop its own plan to meet its own needs, but in context with the national priorities defined by the Commissioner.
Systematic ongoing assessment of needs does not take place (p. 24).	Finding not justified......	Although the statement is an over generalization, we agree the process needs to be improved. However, the word systematic is both indeterminate and prejudical. To the best of our knowledge, there is no "systematic" needs assessment in any other area of education—even those with far greater levels of funding than vocational education. The act requires local applications to spell out the needs of each community. This is verifiable by records of the respective SEA's. These reflect cooperation with local public emplyoment security offices. The VEA of 1968 requires the establishment of a presidentially appointed national advisory council to review annually the needs for vocational education and make recommendations to the Commissioner. State advisory councils also serve State boards of education in a similar capacity. Although the 1968 act no longer requires them, local advisory and craft committees are utilized in helping determine the needs of the community in addition to other sources of data such as chambers of commerce; Department of Labor, Employment Security Agency; economic development groups, etc. Many school districts in the States are involved in career education and exploration which aid in occupational choice at the secondary level. The State advisory committee for vocational education provides annual reports on continuing assessments.

CHAPTER 3.—HOW IS VOCATIONAL EDUCATION PLANNED?—Continued

GAO findings	BOAE reaction	Basis for BOAE reaction
Multiple jurisdictions operate in virtual isolation (p. 25).	Finding not supported by facts.	The vocational programs of the country are conducted by autonomous local educational agencies. Federal moneys constitute an average of about 17 percent of total State vocational expenditures. The historical background of each local and State educational agency determines its planning methods. While the U.S. Office of Education has identified a common data base for reporting purposes, it is in no position to impose organizational patterns and planning procedures. Federal regulations require detailed State and local plans, but in most instances there is, by custom, insufficient cooperative planning.
National level: "(GAO) was told * * * lack of coordinated planning within BOAE inhibited the use of (MDTA approaches) to improve vocational education" (p. 26).	Finding based on inappropriate assumptions.	At the time GAO conducted study, BOAE had been in existence less than 1 year. While this fact is an obvious constraint to the newly created BOAE's coordinated planning, GAO overlooked the fact that many of the very MDTA skill centers alluded to were organized, staffed, and operated by area vocational-technical schools or SED's supported by the former Bureau of Adult and Vocational-Technical Education. Further, GAO appears unable to differentiate between the goals and objectives of manpower training and those of vocational education.
State level: There is a general lack of coordinated planning between secondary and postsecondary programs (p. 27).	Agree	In most States, especially those with bifurcated (secondary-postsecondary) educational authorities, divergent educational philosophies inhibit comprehensive planning.
Local level: There is insufficient local planning among contiguous LEA's (p. 29).	Finding based on inappropriate assumption.	In voicing its concern about the lack of lateral planning at the local level and the possibility of redundant programs resulting in an oversupply of workers in particular occupations. GAO fails utterly to account for the "commonsense" factor of the trainees. The economic acumen of the American worker has considerable influence on the viability of occupational programs.
Advisory Council evaluations are limited (p. 30).	Agree	The appointment of advisory councils in conformity with the categories specified by the act is the sole prerogative of the respective States. BOAE has met in workshop settings with representatives of all State advisory councils to offer advice and counseling in comprehensive statewide planning, however, such councils are autonomous and are, therefore, to a considerable extent beyond the influence of the Office of Education. Many councils from States with small populations receive so small a budget that they must operate on a bare subsistence level. In 28 States the total resources were limited to $28,000 in fiscal year 1970 and $35,265 for fiscal year 1974. The finding is consistent with our recommendation for full funding for State advisory councils.
(Implied criticism on make-up of State Advisory Councils) (p. 30).	Finding based on inappropriate assumptions.	All State advisory councils meet the requirements of the act as to the constituencies represented thereon.
Data for evaluation is inadequate or unutilized (p. 32).	Finding not justified	Much still remains to be done in establishing a broad-base data collection system applicable to all 50 States and the territories, and OE has initiated 2 major studies aimed at the design of such a management information system. The application of such a system, however, will entail a considerable increase in administrative costs at the State level. And it is of just such costs that other sections of the GAO report are critical.
Inadequate Data (p. 33)	Finding not supported by facts.	OE is cooperating with the Bureau of Employment Security at the Federal and State levels in the development of manpower data and job opportunities. Last year one of the major priorities under pt. C was manpower utilization.
Underutilized Data (p. 34)	Finding not supported by facts.	All contracted studies have been placed in ERIC. Reports from States are frequently compiled and utilized by researchers together with State and local planners. Such data are used to demonstrate compliance and identify areas of unexpended funds in such areas as disadvantaged and handicapped and other set-asides. By this process corrective action can be taken. Each year comprehensive planning workshops are held with State directors: These sessions include the techniques of data collection.

CHAPTER 4.—HOW ARE FEDERAL VOCATIONAL EDUCATION FUNDS DISTRIBUTED?

VEA specifies criteria for distribution of pt. B funds (p. 37).	Agree	The VEA does specify under sec. 123(b) the general criteria which States must use in determining their policies and procedures for distributing Federal pt. B funds to LEA's.
State distribution practices.		
No guidance given by OE regarding relative importance of funding criteria (p. 38; p. 39).	Finding based on inappropriate assumptions.	The report makes the implicit assumption that OE's role is one of prescribing in great detail exactly how VEA's basic funding criteria will be applied in each State. The report assumes that precise, uniform and standard funding procedures and policies must be prescribed by OE and followed exactly by the States. However, while the VEA contains 4 basic funding criteria, it does not mention a priority order in which the criteria must be applied uniformly by each State. OE has seen its role as a broader one of assisting the States to apply the VEA's funding criteria within the contest of their respective State laws, school financial systems, and regulations and policies. Therefore, within the State plan guide (revised January 11, 1973) there are sections (3.26 to 3.27—pp. 13 to 15) which explain that the States shall describe in their State plan their procedures for determining the relative priority of local applications and relative need. There is even an example in the guide of how the States might do this. We have no evidence that a given formula in 1 State is more effective than 1 in another State. More importantly, GAO presents no such evidence either. Moreover, since the passage and implementation of VEA, the HEW Audit Agency has never raised the question of a mandated requirement for OE to issue a standard method of determining relative funding needs in each State.
Distribution process provided little assurance that Federal funds were targeted to areas of highest need or to areas maximizing program impact (p. 39).	Finding not supported by facts.	Reports from States do not support this charge. The steady increase in enrollment, number of program offereings, number of schools offering programs, number of persons with special needs served, and State and local financial support all attest to the impact of Federal funds.
Funds are distributed to a LEAs rather than concentrating funds in selected LEAs with high needs (p. 39).	Finding based on inappropriate assumptions.	The implicit assumption is made in the report that it is illegal for the States to distributed Federal funds widely throughout their respective States rather than concentrating on literally a few LEAs which are in greatest economic need of extra funds. Moreover, the assumption is made that the only permissible interpretation of VEA is a literal one whereby the 4 funding criteria are applied verbatim each and every time a State distributes Federal vocationl funds to an LEA. However, the act provides that pt. B funds be used to maintain, extend and improve existing programs and to develop new programs so that persons of all ages in all communities of the State will have ready access to vocational training. Accordingly, each local educational agency which shows a need for vocational programs on its application must be given consideration when allocating funds. It is difficult to conceive of a local community which literally has no need for vocational education. States have been able to use the 4 funding criteria along with additional criteria to determine the relative need of LEA's. One example among the States surveyed by GAO is Ohio which remiburses LEA's for post-secondary and adult education at differentiated rates based on need.
Funds are distributed to LEAs without adequately identifying relative needs among LEAs. (p. 41).	Finding not supported by facts.	The assumption is again made in the report that the criterion to consider the relative need of each school district must be applied in absolute terms when, in fact, it is 1 of 4 basic factors which must be considered. We agree that relative need must be a serious and fundamental element considered when State education agencies determine the distribution of Federal vocational funds. But contrary to the implied assumption of the GAO report, the VEA does not specify that this factor be given the highest priority in allocating pt. B funds to the States.
Distributing disadvantaged and handicapped funds without identifying need (p. 42).	Finding not justified	The report again does not define what it considers "adequate" consideration of the relative need of each LEA for special services for disadvantaged and handicapped students. The report makes the implicit assumption that the relative need of various LEA's within a State for special services is not being considered in accordance with the VEA funding criteria if all or most of the LEA's receive a portion of the pt. B set-asides for the disadvantaged and the handicapped.
Distributing funds to existing projects without regard to areas with no projects (p. 43).	Finding not justified	This allegation assumes that all LEA's not receiving pt. B set-asides funds are in greater need than those receiving such funds. The report also implies that area planning units or LEA's planning cooperatively are unaware of the relative needs within their area concerning disadvantaged and handicapped students. The report also neglects to consider that the State agency or area planning units may also be considering other sources of funding for disadvantaged or handicapped students such as the Appalachian Regional Commission or vocational rehabilitation funds.

CHAPTER 4.—HOW ARE FEDERAL VOCATIONAL EDUCATION FUNDS DISTRIBUTED?—Continued

GAO findings	BOAE reaction	Basis for BOAE reaction
Funds are distributed without considering relative ability of LEAs to provide their own resources (p. 43).	Finding not justified	The assumption is made that all States can and will use the 4 funding criteria in an absolute manner. However, the States apply these criteria in a context of State laws, financing systems, and regulations which sometimes hinders the application of the individual criterion in a perfectly equitable manner. Moreover, the headquarters staff have worked in cooperation with regional staff to assist States in revising their State formulas to identify and consider the relative ability of each locality within the State to provide resources for financing a program of quality education. (An example is a July 18, 1974 letter to Mr. Smallwood in region III from George Orr, director of vocational education in Virginia which discusses meetings held to assist Virginia in revising its Federal distribution formula.)
Distributing funds on reimbursement basis presents difficulties for LEA's with scarce cash resources. (p. 45).	Finding not justified	Reimbursement for expenditures has been a problem in some localities. We will recommend that forward funding be included in the new legislative proposal.

CHAPTER 5.—HOW ARE TRAINING RESOURCES USED?

Factors limiting use of existing resources (p. 48).	Finding based on inappropriate assumptions.	While the act promotes the cooperative use of nonpublic facilities and other resources within the community, the implementation of this provision by State and local agencies is not mandatory to the extent implied by GAO.
Schools only consider their own fazilities (p. 49).	Finding not justified	Such a statement is misleading since excellent examples of utilization of other facilities are included by GAO in this chapter. However, we do agree that only 11 States have used the provisions for contracting instructional services from other available and private training resources. This number should increase and all States are given assistance and encouragement when needed in utilizing all resources available to provide vocational and technical education. While the barriers to utilization of other resources are numerous and difficult to overcome, promising examples are documented in the approximately 1,500,000 vocational students now participating in work experience programs, in businesses, industries, hospitals, on farms and in other community facilities.
Training resources have not been inventories (p. 52).	Agree	We would agree that more concern should be given to the identification of possible resources for providing programs of vocational and technical education. However, it must be pointed out that while inventories of training resources in a community may serve a useful purpose as a planning mechanism, they do not in and of themselves improve the delivery or effectiveness of vocational education services unless specific arrangements can be made for their utilization to carry out the vocational objective of preparation for employment. Barriers to the utilization of many training resources prohibit their utilization by secondary and in many instances, postsecondary students. The lack of available time during the day, specialized training objectives and equipment for armed force units, and disruption in training schedules are common barriers that must be overcome in the utilization of community resources for vocational education.
Costs have not been analyzed on a comparative basis (p. 54).	Agree	There have been several vocational education research studies on the analysis of comparative costs, however, these have been limited in scope. Most local boards of education perform a comparative analysis of costs in the preparation of their budgets, analyses of tax situations, etc. While the use of training stations in a cooperative setting may have cost advantages over a classroom or laboratory situation, these are limited and therefore alternative training stations must be developed.
Program scheduling has not been flexible (p. 58).	Agree	We aree that program scheduling has not been as flexibile as desired. However, we must point out that traditional scheduling is typical at all levels of general education, elementary, secondary and postsecondary. While programs of vocational education must operate within the framework of the general education program, innovations and changes have resulted in vocational programs pioneering in flexible educational program scheduling.

		The development of area vocational schools serving students from 2 or more institutions, work experience programs, where the student spends part of the day, a week or a semester in the school and in an equivalent period of time in a business, industry or hospital, and use of the facility during the day, evenings and summer months are examples of flexible scheduling that could be found in many States.
Transportation has often not been provided (p. 59).	Finding not supported by facts.	The isolated examples of transportation problems listed by GAO would not justify this finding. We would agree that transporation has not always been provided for vocational students especially at the postsecondary and adult levels. However, States have demonstrated that they are providing transportation for most of the secondary students within the capabilities of State laws and fiscal resources. When the schools fiscal resources are limited transportation may only be provided for students that cannot provide their own transportation. State laws in many States prohibit the transportation of students 21 years of age or over, or for those enrolled in postsecondary and adult education programs regardless of age.
Construction of new school facilities has been favored (p. 61).	Findings not justified	It should be pointed out that the construction of new school facilities was essential to the expansion of programs of vocational education. The use of Federal dollars for basic construction has provided catalytic action in attracting State and local funds for program operation. Construction of vocational facilities is undertaken only after a thorough survey of the State's training needs, the number of training stations that will be required and the occupations that should be provided for. Local boards of education must request and approve the construction of facilities and the people approve a bond issue to fund the local share of the facility. Even though 1,204 construction projects have been approved since 1970, and the number of States using Federal funds for construction has decreased slightly, the Federal dollars expended for construction projects have decreased from $51,484,000 in fiscal year 1971 to $35,423,000 in fiscal year 1973.
Sources of equipment and supplies have not been fully explored (p. 62).	Finding not supported by facts.	It has long been recognized by school administrators that directors and instructors of vocational education have been the most avid pursuers of equipment and supplies from all available sources. These efforts have resulted in maximum use of excess, surplus, national industria equipment reserve programs while available and from business and industry. We would call attention to the fact that vocational education was excluded from excess property'programs in early 1972 by HEW Regulations, more than a year before the GAO investigations were carried out. It is difficult to understand the emphasis on this finding by GAO in view of the examples found of equipment and supplies secured from sources other than purchases. It is a recognized fact that equipment and supplies, regardless of their source, must be provided to assure quality instructional programs to prepare students for employment.
Other obstacles have limited full use (p. 64).	Agree	We agree that there are "obstacles" in every State that limit the full utilization of educational and vocational facilities. While the States are aware of these "obstacles" listed, such as union requirements, teacher certification, contracting with private schools counseling, and building standards, they are not common to all States and workable solutions now exist in or are under consideration. Other "obstacles" cited may not be obstacles but State requirements designed to protect the safety of students and assure quality training programs.

CHAPTER 6.—IS TRAINING RELATED TO EMPLOYMENT?

Student enrollments have not been aligned with employment opportunities (p. 69).	Finding not supported by facts.	The data quoted pertaining to enrollment increases in home economics indicate that evaluators were not considering or aware of the provisions of the act, which authorizes a separate appropriation and program purpose for consumer and homemaking education. These data do not reflect training programs for employment. Another criticism was leveled at low enrollments in health occupations at the secondary levels. Most of these occupations are licensure programs and require high school graduation or equivalency for enrollment. These occupations requiring licensure must be offered at the postsecondary level. A comparison of 10 randomly selected occupational projections from the Department of Labor publication, "Occupational Manpower and Training Needs" and enrollments in vocational education show that growth in enrollments are compatable and are aligned with the projected occupational needs for 1980. (See attachment VII.) An examination of the occupations listed in this publication by OE codes and the enrollments in the 1968 and 1972 vocational annual report showed that this finding is not valid and does not, justify the finding nor report the facts available pertaining to vocational enrollments.

CHAPTER 6.—IS TRAINING RELATED TO EMPLOYMENT?—Continued

<table>
<tr><th>GAO findings</th><th>BOAE reaction</th><th>Basis for BOAE reaction</th></tr>
<tr><td>Ratio of completions to enrollments has been low (p. 71).</td><td>Finding not justified</td><td>This type of calculation, based unfortunately on the only kind of data which is generally available, always produces a law ratio. For example if all 3 classes in a 3-year vocational high school are aggregated and then compared to the number of graduates from the senior class, this will give a much lower ratio than the comparison of these same graduates with the number of that class which originally enrolled in the program. This type of cohort analysis is difficult and costly, because of enrollment additions and transfers during a class' entire history. In addition, it should be noted that a ''noncompletion'' in a vocational program often cannot be interpreted in like manner as a ''dropout'' from an academic program. A significant number of vocational students do not immediately complete their programs because they have already learned enough skills to earn wages which may be urgently required by their families. These ''school leavers'' are productive members of society. Once again, data are difficult to obtain regarding the number of these students who later add to their skills through postgraduate or adult trade extension programs.
Data for Fiscal Year 1973 showed:
<table>
<tr><th>Total enrollment</th><th>Preparatory enrollment</th><th>Percentage of total enrollment</th><th>No. of completions</th><th>Percentage of preparatory enrollment</th></tr>
<tr><td>12, 072, 445</td><td>5, 890, 733</td><td>48. 8</td><td>1, 896, 272</td><td>32. 2</td></tr>
</table>
This table indicates that 5,890,733 are enrolled in programs preparing for gainful employment. This figure was derived by excluding from the total enrollment, the enrollment in consumer and homemaking, prevocational and supplementary adult and apprenticeship programs.
As indicated the completion percentage does not reflect the fact that approximately two-thirds of the preparatory enrollment are in a 2- to 4-year program.</td></tr>
<tr><td>Students may not be employed in fields for which trained (p. 72).</td><td>Agree</td><td>The capability of State divisions of vocational education to place and followup students and to obtain placement data and success in the job where employed has limited the data available in this area. Promising techniques are now being tested in such States as New York, Massachusetts, and California which show promise of providing better data. As more schools provide job placement services and occupational counseling, the placement record will improve.</td></tr>
<tr><td>Practices limit relevancy of vocational programs (p. 72).</td><td>Finding not supported by facts.</td><td>The GAO report indicates that present practices limit the relevancy of vocational education and identify practices listed below that are typically lacking in States. It must be recognized that differences exist but a comparison of accomplishments with poor practices identified would not justify the blanket statement included in the report.</td></tr>
<tr><td>Labor market needs have been neither fully nor realistically assessed (p. 73).</td><td>Agree</td><td>This funding has been discussed in chapter II findings. Securing valid data is a development process and not fully implemented at the present time. But States are utilizing the available data as reflected in the changes and improvement in the State plans.</td></tr>
<tr><td>Manpower data is unavailable or not utilized (p. 73).</td><td>Funding not justified</td><td>Statements included in the report would not justify the GAO finding. We must agree that more and better data are needed but an examination of the 56 State plans will show that data are available and utilized to develop the annual and long-range State plan. Local data are also available and utilized in the development of local plans on file in State departments of vocational education.</td></tr>
<tr><td>Funds have not been used for planning data (p. 76).</td><td>Finding not supported by facts.</td><td>We agree that more resources must be made available to secure the essential planning data needed at the State and local levels. However, States have utilized part B and C funds to secure better manpower data for planning. Good examples of States making such expenditures are Kentucky, New York, Texas, Arizona, and Florida. Research priorities for funds available under part C in fiscal year 1975 include State and local management systems for planning.</td></tr>
<tr><td>Work experience often has not been an integral component of vocational curriculum (p. 77).</td><td>Finding not justified</td><td>Occupational training must be realistic and meet the needs of prospective employers. The work experience part of the training may be provided in a simulated work laboratory or shop, or in a business or industry.

Work experience is an integral part of many vocational education programs. All agriculture students must participate in actual farm experience or placement in agribusiness.
Health programs provide clinical experiences in participating hospitals and health facilities. Distribution and marketing, business and office, trade and industrial and technical programs provide work experience through cooperative education programs.
While business and industries are interested in cooperating with schools in work experience for vocational students, the fact remains that not nearly enough work stations can be provided to meet the needs of all students due to production schedules, location of businesses and work schedules.
Attachment VIII shows the number of students involved in work experience programs and would indicate that work experience is an integral component of the vocational curriculum but is not a mandatory requirement.</td></tr>
</table>

TEACHER CORPS

Mr. FLOOD. Now concerning educational personnel, we understand that many low-income areas are faced with a frequent teacher turnover.

What percent of the participants in Teacher Corps, Teacher Corps projects, actually stay and teach in the low-income areas?

Dr. SMITH. Mr. Chairman, the statistic varies from year to year. It depends on the number of candidates who are going in. When the first series of studies was conducted of the first through the fifth cycle, we found that approximately 80 percent of the interns went into education, and about 72 percent went into low-income areas.

In 1973 there was a study done on the sixth cycle interns. We used a sample of about 700, and found that of the 700 interns, approximately 50 percent of them went into education while a goodly number of them, because of the teacher surplus issue, continued their education. Of that 50 percent, approximately 100 percent of those persons went into low-income areas.

Mr. FLOOD. Are there any kinds of incentives which provide for these participants who remain in these areas?

Dr. SMITH. We have never talked about incentives except for the kind of training that has been available to them that makes them more qualified to work with children in low-income areas than teachers. As a matter of fact, we found from our study that interns were superior to those teachers who were coming in who had not a Teacher Corps experience in four or five very critical areas, one having to do with the development of self-concept of children.

Mr. FLOOD. I can add this question. What improvements have resulted from the Teacher Corps involvement in the low-income areas?

Dr. SMITH. I would like to submit to you and to the members of the committee a number of reports that have come to us relative to the success of the Teacher Corps program over the last few years. The primary thing, sir, has been that we have been able to maintain greater continuity of teaching purposes in low-income schools where there have been Teacher Corps projects.

More importantly, the universities that have been involved in the Teacher Corps program have moved to institutionalize many of the new techniques and technologies that have been developed through the Teacher Corps project. So that what we are in a position to document, in terms of the Teacher Corps program, is institutionalization in many of the places where the Teacher Corps has existed over the past few years. We have been extremely successful in that venture.

VOCATIONAL EDUCATION TEACHER TRAINING

Mr. FLOOD. The training of teachers who can effectively prepare students for what is now referred to as the world of work is obviously basic and essential.

How much is provided in this budget for the training of teachers in vocational education?

Dr. PIERCE. Under the Vocational Education Act, vocational teacher education is an allowable area for expenditure of appropriations but under part F of the Education Professions Development Act, vocational teacher education, we requested no specific funds because we have provided for that by folding this program into the new legislation and it will be accommodated there.

Mr. FLOOD. Are you planning to train what we call paraprofessionals, like the old paramedics that we picked up from the Department of Defense, or retrain any of the current vocational education teachers?

Dr. SMITH. The paraprofessional may not necessarily be vocational education programs, and a vocational education teacher already working in the school may in fact be a member of the Teacher Corps program.

With the new authority given to us in Public Law 93-380 we focused very heavily on the retraining of the existing staff of experienced teachers and paraprofessionals in schools preparing teachers including the vocational education teachers and the regular academic teachers.

We are really focusing on the development of new attitudes on the part of these teachers to prepare young people to meet the world as it exists today, which gets to the question of whether or not teachers are beginning to understand that young people must be trained for the world of work, so that when you ask the question how much of the budget is set aside for vocational education per se, the answer is at this point in time that we would have to examine the number of programs that we will be having, that we will be focusing on the total school staff that has vocational educators in it, to be able to make that statistic.

FUTURE NEED FOR VOCATIONAL EDUCATION TEACHERS

Mr. FLOOD. All those things being true then, what is your projection of the need for vocational education teachers in the next 5 years? You are not going to give the exact figure, but what is your guess off the top of your head?

Dr. PIERCE. I wish you hadn't asked. That is one figure I can't give you at this moment.

Mr. FLOOD. Talk it over with your people and let's find that.

Dr. PIERCE. Unlike most other educational programs, there has been a teacher shortage in vocational education, but these estimates are based on case reports from States rather than on a complete State by State analysis. You may recall the GAO report on teachers supply and demand of a year ago which cited the paucity of data in this regard.

[The information follows:]

PROJECTION OF NEED FOR VOCATIONAL EDUCATION TEACHERS IN THE NEXT 5 YEARS

Assuming that the ratio of students to teachers will remain approximately 50 to 1, we estimate the following numbers of vocational education teachers will be needed for the next 5 years: 1975, 281,220; 1976, 305,780; 1977, 334,680; 1978, 363,640; and 1979, 396,120.

URBAN AND RURAL SCHOOL DEVELOPMENT

Mr. FLOOD. According to your justifications, funding for the urban and the rural development program, will be used for what you call phaseout purposes.

What evaluation has been conducted which determines that the programs previously funded have been successful and are no longer required now for Federal funding?

Dr. SMITH. Mr. Chairman, let me mention to you what the basic design of the urban-rural program was in the very beginning. It was a 5-year demonstration effort with an understanding that it had only a 5-year existence. There had not been thought of the continuation of the urban-rural program.

Mr. FLOOD. You know in Washington we say time and time again there is nothing more permanent in Washington than a temporary agency, a temporary building, or a temporary job, so what about this?

Dr. SMITH. The truth of the matter is that the design that was originally developed for the urban-rural program I think was held all the way through. It was from the very beginning a 5-year program. It was designed primarily to test some basic assumptions about how a local project, with the school and the community, could come together to assess their needs, and then use those resources in doing something about it.

Mr. FLOOD. That is what it was.

Dr. SMITH. That is exactly what it was and where it is today, sir.

Mr. FLOOD. I didn't ask you about detailing a program. I wanted to know what evaluation had you conducted? I know what the program is. What evaluation have you conducted of the program which justifies that it no longer requires Federal funding?

Dr. CARTER. Mr. Chairman, an evaluation is underway presently at Stanford University, which will look into and shortly before the end of its final year, be able to tell you about that.

Mr. FLOOD. When is that due?

Dr. CARTER. This is the last year. 1976 is the last year for this program.

Mr. FLOOD. You mean fiscal 1976?

Dr. PIERCE. Yes, sir.

Dr. CARTER. That program is presently underway, its technical reports give us information on program progress.

Dr. PIERCE. I think we need to make clear, Mr. Chairman, that we never intended the program to go beyond 5 years.

Mr. FLOOD. I know all about that.

Dr. PIERCE. We are going to be the exception to the rule, we think. We did intend, however, to be able to tell Congress and the people in the educational community how effective those programs were at the end of their 5 years, so we now have an assessment of those programs underway and we will provide that to interested persons when we get that finished.

ADULT EDUCATION

Mr. FLOOD. On your adult education, how many adults in this country have less than a 12th grade education?

Dr. PIERCE. About 53 million.

Mr. FLOOD. And how many of them are over 45?

Mr. DELKER. Just offhand I can't give you that figure.

Mr. FLOOD. What do you think? You must have an idea. I would just like an idea right now.

Mr. DELKER. According to the 1974 current population survey, approximately 32 million.

Mr. FLOOD. In your statement you indicate that the budget for the adult education will train about 1 million persons.

Dr. PIERCE. That is correct.

Mr. FLOOD. How many of that million are over 45?

Dr. PIERCE. About 188,000 of that million are over 45.

Mr. DELKER. 81 percent are 45 or under.

Mr. FLOOD. This is what I want. It appears then that the budget is directed to those who are under 45 years of age; is that right?

Mr. DELKER. Yes; since the law emphasizes employability and productive citizenship, our guides in the past have encouraged the States to concentrate on ages 18 to 44.

Mr. FLOOD. You just told us that there are relatively more people over 45 who need adult education. If all those things are so, why weren't you directing more of the budget to that age group?

Dr. PIERCE. The law requires that priority be given to those needing basic education, meaning those persons having less than 8 years of formal schooling. With the emphasis placed on employability, most of the funds have been supporting those under age 45 who have the greater number of productive work years remaining.

Dr. BELL. But the law doesn't prohibit spending over age 44.

Mr. FLOOD. That was my next, not question, but statement. You are clear about that?

Dr. PIERCE. That is true. I agree with Dr. Bell's statement that the law does not prohibit spending over age 44.

Mr. FLOOD. That being the case then, why weren't you directing more of this money to that age group?

Dr. PIERCE. We have been increasing the percentage. The States have been following the suggested guidelines in terms of that priority being in those age ranges 18 to 44.

Mr. FLOOD. You are not about to realine priorities?

Dr. PIERCE. We will realine priorities insofar as we can, but there are restrictions in the law such as priority given to those having less than 8 years of formal schooling.

Paul, is it 20 percent or up to 20 percent of the funds that can be spent for high school programs?

Mr. DELKER. Up to 20 percent can be spent for high school programs.

Mr. FLOOD. I think that is right.

Dr. PIERCE. So we are restricted, Mr. Chairman, in terms of reordering those priorities totally. We can make certain kinds of additional efforts, but it can't be a total realinement of the priority.

NATIONAL ADVISORY COUNCIL REPORT

Mr. FLOOD. Recently a report of the National Advisory Council on Adult Education recommended a $200 million program for adult education.

Did you see that?

Mr. DELKER. Yes.

Mr. FLOOD. Are you planning to man the barricades, or are you planning a public response to that report?

Dr. PIERCE. We will respond in terms of agreement to the total need, the fact that 1 million people being served in no way begins to meet the need, but we have to respond also by saying, Mr. Chairman, that funds must be limited, and we have to make some very tough decisions as to how much money we can afford to put into any one of these programs at this time.

Mr. FLOOD. I certainly don't feel you are yelling "Charge" or anything like that.

Dr. PIERCE. I think everyone has a commitment to try to do more here, at least the people whom we deal with have a commitment to try and do more, once the economic picture improves, but at this moment we simply are limited in the amount of dollars that we can put into any one of these programs.

Mr. DELKER. Mr. Chairman, if I might add in terms of what can actually be accomplished in relation to the 45 million adults, our efforts are primarily to develop State capacity to train and educate adults. Adult education funds in this country are about 75 percent Federal, whereas other education programs get only about 8 percent.

ADULT EDUCATION LEGISLATION

Mr. FLOOD. This new legislation for adult education which was just enacted last year, that allows States to use 20 percent of their grants for the high school equivalency. They can take another 20 percent for the adults in institutions.

What do you hear from the States about these new provisions? Are they planning to use any of these funds for these purposes? What is going on?

Mr. DELKER. Both of these figures, Mr. Chairman, are upper limits. They are not required to spend any money in either area. They are both permissive, but upper limits.

The States right now are in the midst of preparing new State plans in response to the new provisions. We have just published proposed regulations a little over a month ago. These plans will be coming to us by June 30 of this year. That will give us the first comprehensive accurate response to this authority.

Based on what we know at present, without hard figures, most of the States are spending close to 20 percent of Federal money on high school. Almost all States have historically put money into serving the institutionalized persons as well.

Mr. FLOOD. Thank you very much.

Mr. Roybal?

TEACHERS CORPS

Mr. ROYBAL. I just have some questions on Teachers Corps. I want to know how many teachers have been trained up to this time under that program.

Dr. SMITH. We have trained approximately 11,000 interns who became teachers over the last 9 years. A very limited number of experienced teachers already in the schools were trained simply because it was not until this past year, when we had the new authority under Public Law 93-380, that we could legally train the existing experienced teachers.

I think what we have had is a provision which allowed us to provide limited training for the team leader who was part of the Teachers Corps team. We estimate that in terms of the total numbers of experienced teachers who have been trained in the Teachers Corps program, and trained means receiving at least a course but not a prescribed course, there might have been a total of 2,000 over a 9-year period.

Mr. ROYBAL. Over a 9-year period?

Dr. SMITH. Over a 9-year period. Until this year the major thrust for Teachers Corps has always been the intern and it is the 11,000 interns who received the training. It was only when the Congress gave us the new legislation for retraining that we could begin to look at a deliberate system of retraining of the experienced teacher, so that ours has been primarily preservice. We are just beginning now to focus on inservice.

TEACHING OF MIGRANT WORKERS

Mr. ROYBAL. Of the teachers who have been trained and who are now still teaching, are any of them now teaching the migrant workers?

Dr. SMITH. Yes. As a matter of fact, there is an excellent article by Dr. Patricia Cabrara, who was at the University of Southern California but who has now gone to the East Los Angeles Community College, on migrant education which I think has had at least two cycles. She documents where those young people were trained in that program, and how they have begun to use that migrant training program.

As a matter of fact, the article was so good it has been published by UNESCO in five languages about the Mexican-American migrant program in California.

We have left, as I am sure you know, the discretion for the thrust, whether it is migrants, bilingual, bicultural, or correctional, to the local project. They make the decision. We have not had a large number of migrant programs.

The focus had been primarily on either rural or urban, but Dr. Cabrera's efforts at the University of Southern California over the past 4, 5, or 6 years have been so exceptionally good that I think that if you were interested in knowing specifically about a migrant program, we would be able to get that data for you.

Mr. ROYBAL. I would like to have more information with regard to the migrant teaching program. I would appreciate it if that could be made available to us.

Dr. SMITH. All right, sir.

Mr. FLOOD. Do you have a copy of that article? Can you submit that?

Dr. SMITH. Yes, I will get a copy of Dr. Cabrera's article.

[The article follows:]

THE EDUCATION OF MIGRANT WORKERS—WHERE DO WE STAND?—A BILINGUAL EDUCATION PROGRAM IN CALIFORNIA

THE "INVISIBLE" AMERICANS

(The Patricia Heffernan-Cabrera*)

There are 11 million "invisible" Americans. They are the rural poor. Theirs is the culture of poverty. Their unseen legions include more than 2 million Spanish-speaking, Mexican-American migrant farmworkers who live in the five Southwestern States. Though the culture of poverty cuts across all other cultures (hunger and hopelessness are great equalizers), these low-income Mexican-Americans face uniquely complex problems. Often they do not speak English; their children are virtually untouched by existing school programs; their lack of job skills and the increasing technification of agriculture lead them, inevitably to become clients of social-welfare agencies. Rootless, socially and economically disoriented, they represent a tragic loss in human resources.

The problems of such homeless, economically and socially disoriented families are many, tenuous and complicated; but perhaps one of the most tragic problems of all has been the inability of their children, in too many instances, to become meaningfully and successfully involved in the process of education. The children become alienated quickly from the school and drop out at the first available opportunity.

Such failures and rejection of education are particularly tragic at a time when the forces of technification and automation in American life are rapidly eliminating each year many of the already scarce and inadequate jobs at which unskilled and untrained individuals are able to work. As seasonal agricultural employment, for example, becomes more scarce, many of these families become permanent clients of welfare services or move in increasing numbers into the cities to complicate and exacerbate already dangerously troubled situations in the metropolitan slums and ghettos. Particularly difficult is the situation of Mexican Americans. In addition to all the other handicaps which they share with other disadvantaged groups, they labor also with the handicaps of language deficiencies and cultural alienation. The problem has many aspects when studied in detail:

Instability of family life.—Families without roots, although cemented together with a warm, understanding interrelationship, are victims of many social and economic ills. If the number of rural poor families who move with the crops could be stabilized, many social and economic problems could be solved. If the latent talents of these farm laborers could be discovered, awakened, and developed, a costly loss of society would be alleviated.

Poor school attendance.—Sampling studies in Tulare County[1] indicate how serious are the educational problems of the migrant families. A recent study showed that 80 percent of Spanish-surnamed citizens 25 years or older had 8 years or less of schooling. Seventeen percent had none. The median school years completed was 6.1, the lowest in California.

Conflict of value.—Theirs are lives of quiet passiveness. Not only do they live with traditional problems of poverty, but they are further burdened by inability to speak English adequately and by conflicts in values of their own culture and those of the dominant culture.

Lack of adequate income.—The average annual income earned by the heads of seasonal farmworker families was recently estimated at $2,084. The median family income was $3,527. This is the lowest in the State.

Social dependency.—Studies show that these families depend heavily upon social service to survive. A Santa Barbara study made recently revealed that a migrant population, constituting 23 percent of the community, accounted for 85 percent of service related to welfare, health, probation, law enforcement, and school attendance.

Dropouts from school and life.—The need for children to work, lack of motivation, and other factors mandate too often that these children drop out of school as soon as possible. Few remain until graduation.

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[1] Tulare County, in the heart of California's San Joaquin Valley, is one of the largest and richest agricultural areas of the United States of America. Its important role as a center of California's migrant stream mandates concern for the complex educational, social, and economic problems resulting from the dichotomy of an affluent rural residential population and the culturally alienated poor.

One of the most critical challenges to the Nation is the provision of equal educational opportunity for migrant impacted/rural communities.

To repeat, none of the needs of migrant farmworkers are unique or new. The difficulty is that so many of the needs of other groups are combined to form their massive need. They share the handicap of extreme poverty with those who are at the bottom of the economic ladder. They suffer the handicap of segregation with others who are outside the cultural mainstream, as well as the handicap of speaking another idiom or a substandard version of the dominant language. And they suffer the handicap of migrancy because they and their children are a rootless, elusive force with little in common other than the accident of working together for a brief period of time.

There are educational techniques for dealing with any or all of these problems. The solutions require facilities, personnel, materials, and money. There are ways under various grants and laws and acts for even the smallest of school systems to provide facilities and money; but the areas of trained personnel and materials development are in desperate need of attention.

The solutions also require concern—concern of teachers and school people and of communities that must be awakened to the full realization that the development of human potential, as well as the loss in human resources, is vital to the Nation. It is estimated that the number of children in the migrant streams under the age of 14 is in excess of 150,000, with some 40,000 of them moving into California. Of this number, 87 percent of them are of Spanish-speaking backgrounds.

TEACHER CORPS: A PROGRAM WITH PROMISE

It is vital that the teacher communicates with the child, not only in matters of the mind, but also through the dynamics of human interaction. Teacher Corps interns who are working in the west and southwest are in a unique position as primary agents for bringing education into the realm of possibility for many disadvantaged youth: They have the time, the talent, and the desire to serve this segment of the educational population. But they must be able to communicate with the child, with the child's parents, and with the child's societal world. It is the responsibility of the teacher to reach and teach the child in the child's cultural setting, as he functions in his own language community. The Teacher Corps intern, and any other teacher, must be able to link the public school to the child's world as a positive institutional system. If the public school is to become such a change agent, it is essential that teachers become proficient in the child's language and empathic towards his culture.

The University of Southern California (USC), in Los Angeles, has a Teacher Corps rural-migrant project in bilingual/bicultural education which is designed to strengthen educational opportunities and facilitate learning growth in low-income Spanish-speaking children of migrant and seasonal farm workers. It is a joint teacher trainnig effort between the university and certain local education agencies which provides performance criteria for teacher accountability and introduces innovative strategies to develop expertise in clearly defined teacher behaviors. It is a 2-year graduate studies program leading to the California teaching credential and the master of science degree in education with specialization in bilingual education and the teaching of English to speakers of other languages (TESOL). It recruits and trains bilingual interns with positive commitments to careers in the education of the disadvantaged, a strong sense of the need for humanistic approaches to the teaching/learning process, and the desire to live in and become a part of the life of a low-income community.

This project involves parents, teachers, and others in decisionmaking in order to move toward community-based education that utilizes previously untapped human resources both for volunteer services and in differentiated staffing patterns in the schools. It is competency-based, holistically oriented, and concerned with outcomes in terms of teacher performance and pupil achievement.

PRESERVICE PHASE

In the selection process preference is given to candidates who are fluent in Spanish. The preservice training period emphasizes bilingual teaching strategies and Spanish language development for both native and nonnative Spanish speakers. The instructional modules concerned with bilingual teaching strategies are continued throughout the 2-year inservice period.

A high intensive language training program (HILT) in Spanish has also been developed to help other teachers who have the will, but not the language, become bilingual enough to work in classrooms. The primary goal of the 6-week program is to provide special training for non-Spanish-speaking teacher interns and teachers who will be teaching Mexican-American children in the classroom and interacting with their parents in community and school related activities.

Special consideration, in the development of the program, was given to the following areas.

First, that the language component be developed with direct impact potentials. The knowledge of language is an important tool in communicating, and concerns should be directed to the use of the language to meet language problems as they exist in educational situations. Too often, language is taught in a vacuum. Although of importance in itself, there must be a vehicle to bring the use of this skill and knowledge to where it can be most beneficial. Introducing language proficiency in the early training period of teachers should diminish many areas of misunderstanding and negative attitudes which many teachers develop and which can be directly traced to the inability to communicate and, therefore, to be understood.

Second, that language and culture be considered as one effort. As language is a tool developing from and contributing to a culture, a HILT program needs to relate heavily to the culture of the target group, in this instance the Spanish-speaking Mexican-Americans.

A major theme of the preservice phase of the program, prior to the teacher-intern's entry into the intensive language experience, should be to develop an understanding of cultural mores and values and all the various ways in which language becomes an intercultural communicant. In the HILT program, experiences are included which hlep the participant to understand and relate the ways in which culture shapes and influences attitudes as well as behaviors.

Third, that there be administrative support for the training effort and potential program outcomes. In the nature and design of the Teacher Corps project, interns are immediately and directly involved in schools and in the community. Many of their early efforts are to develop special classes for children and for parent programs. One would anticipate that interns coming to high intensive language training would learn to develop teaching and community strategies using their new language proficiency, and that they would need administrative support to introduce new ideas in the local school districts to which they will be assigned. School administrators such as program coordinators and principals are invited to be involved in the preservice orientation phase of the intensive language experience. Just as a common language enhances communication, common experiences enhance future relationships, thereby providing the potential for initiation of new efforts and implementation of innovative programs.

Fourth, that a followthrough effect result from the preservice effort. Too often programs lose their initial impact and develop diminishing returns, unless reinforced periodically. The preservice program should be designed to blend naturally into inservice efforts, to continue developing language proficiency and to relate it to teaching strategies and other related educational situations.

The staff selection and training, degree of intensity, rotation scheduling, and psychological preparation of participants are similar to the format previously used by the Peace Corps.

The materials used for the USC-HILT project were developed especially for the program. They were designed for the development of teacher-parent-home-school community communication, utilizing microwave and flexible frame formats, as well as such devices as action-scripts, dramatizations, dialogs, role-playing and other techniques.

Major features of the high-intensity program are: a focus on language learning, with other activities introduced only if profitably integrated into that environment; immediate use of the target language among trainees and staff, in and out of class; approximately eight language class hours daily, plus language-oriented activities outside the classroom; and intense staff involvement in all aspects of the language program.

Evaluation of language-proficiency is achieved through pretesting and posttesting. Proficiency is described, for example, as: "Can handle with confidence but not facility most social situations including introductions and casual conversations about current events, one's work, family, and autobiographical information. Simple instructions to students. Can understand most conversations on non-technical subjects. Has a speaking vocabulary sufficient to express himself simply.

INSERVICE INTERNSHIP IN THE SCHOOL AND COMMUNITY

Among its general goals the internship phase of the program aims to strengthen educational opportunities available to the children of migrant/seasonal farm workers, by providing interns fluent in Spanish and trained in bilingual teaching strategies, and thereby to demonstrate that through bilingual/bicultural learning experiences it is possible to provide equality of educational opportunity to poor Spanish-speaking children, and to develop the children's understanding and acceptance of cultural differences among their peers and in the rest of society.

We also want to assist the school districts to develop and to adopt new curriculums in English as a second language, Spanish language development, early childhood education (K-3),[1] mathematics, language arts and humanities, by making available the resources and expertise of the University of Sourhern California, and to assist these same school districts to develop innovative teaching methods by offering the staff an inservice training program.

And we want to attract and prepare as bilingual teachers fluent speakers of Spanish and members of the Spanish-speaking community who might not otherwise have elected to enter the field of education.

Corpsmen are placed in kindergarten to cover primary (K-3) and seventh to eighth-grade levels. During the inservice stage of their training, an intern participates in observation and participation activities as prescribed by the team leader, and depending upon the educational setting of the team. In the case of the K-3 team, interns are placed in a nongraded primary setting whose basic model of instruction is accomplished by two team-teaching sections in three self-contained classrooms supplemented by an individualized prescribed program strategy (e.g. mathematics) and language laboratory. There are other diversified programs, such as reading in preschool for ages 3½ to 5½. In the upper grades, the interns function as a team in nongraded settings utilizing a district-staff-generated-individualized-contract method for teaching and instruction. In each case interns are cycled through experiences which will cover the total curriculum and each intern is able to observe and practice some of the most promising techniques in room management, classroom control, directed teaching, tutoring, and some of the techniques and strategies utilized in diagnosing and prescribing instruction for students based on their experiential background and their learning styles.

In both settings, in the second year of training in the Teacher Corps, the interns are guided into various experiences, for example, teaching strategies, team teaching, and differentiated staffing models in the bilingual setting. They are encouraged to develop their own teaching material and units based on the instructional framework of the school districts.

Teacher Corps Rural-Migrant project at the University of Southern California strongly believes that teacher education programs must take the initiative in developing realistic new approaches to the education process, if there is to be an escape hatch from a lifestyle of poverty.

What do you do when 11 children show up at your classroom door one morning . . . and there are only 3 weeks left in the semester? What can you say to 10-year-old Carlos, who falls asleep at his desk because he got up at 4 a.m. to work in the fields with his family before coming to school? How does a child develop a positive self-image, learn to feel pride in his identity, when he has no permanent address . . . or school records . . . or shoes . . . ? What are the responsibilities of a community in guaranteeing the same privileges of citizenship to migrant workers that permanent residents rightfully expect and receive?

How do you stop a treadmill of futility and frustration, ignorance and inevitability, hunger and despair? How do you develop an informed citizenry ready to demand the "liberty and justice for *all*" that are inherent in the concepts of a democratic society? How do you convince someone who was born to the hopelessness of abject poverty that "the pursuit of happiness" is his birthright, too . . . ?

No mere hypothetical questions these, but a sampling of hard-core realities and disturbing challenges that daily concern the dedicated group of men and women who are continuously involved in the Teacher Corps Rural-Migrant project. Their objectives, as members of the Teacher Corps, are to rescue children who are victims of indifference and neglect and who look at the school as a predestined symbol of failure, and to convert negative self-images of hopelessness to positive attitudes of achievement and success.

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[1] K-3 corresponds to 1 year of kindergarten and 3 years of primary school. (Editor's note.)

How to stimulate, motivate, challenge through every possible medium of expression is the basis of this intensive, distinctively developed program. Better teachers who are better people, with a full realization of their own maximum potentialities must be inevitable results. Perhaps, with Teacher Corpsmen serving as the link between school, home and community, the dichotomy of ignorance and despair that characterizes the migrant condition in the midst of the world's most affluent society may be resolved.

TEACHER CORPS ACTIVITIES IN STATE HOSPITALS

Mr. ROYBAL. Another area is the help that senior citizens are getting by individuals who are graduates of the Teacher Corps. I have been told that there are some teachers trained by the Teacher Corps at USC, who are now doing some work in state hospitals with people who for one reason or another are in state hospitals.

Is that document any place?

Dr. SMITH. Yes; let me say I would like to think it is. I am not positive, but I will be able to know more definitively tomorrow. The reason I say it that way, sir, is that Dr. Annette Gromfin, who is also at the University of Southern California, has had a number of programs that we call correctional or institutionalized programs, which provides specifically the working of the interns in other than school settings. As a result, I think that we are able to get from the University of Southern California both the documentation on this that you are speaking to as well as the migrant program.

Mr. ROYBAL. The reason that I ask these questions is that I have been told by persons you have already mentioned that these programs are in operation. I would like to see more factual information with regard to these programs, to see if it is as good as they say these programs are.

I would appreciate it if you would make that available to us.

Dr. SMITH. For the record, I would like to say they are as good as they say they are.

Mr. FLOOD. All right, but he wants exhibit A just the same.

Mr. SMITH. I have agreed to do that, Mr. Roybal, and you may rest assured that I will, but let me say on the record that we have been more than pleased with the examples that have come out of the California area, especially the USC area. We have had some tremendous projects that have been the forerunners for a number of things that we have done nationally.

Mr. ROYBAL. I was pleased with what I heard.

Dr. SMITH. You would now like to see it?

Mr. ROYBAL. I would now like to see it.

Dr. SMITH. All right, then we will take care of it.

Mr. ROYBAL. Thank you very much.

[The information follows:]

TEACHER CORPS URBAN—CORRECTIONS, UNIVERSITY OF SOUTHERN CALIFORNIA

Correctional jurisdictions in California

There are two major jurisdictions working with delinquent youth. The Department of Corrections—Youth Authority is the State system which runs and supervises facilities for the older youthful offender throughout the State. County systems refer youth to the State system when they do not have a viable alternative in the county. There is an educational department in the State system.

The other jurisdiction is at the county level where county probation departments administer facilities and services for local county youth. Each of these county areas has its own school situation. In Los Angeles, the Los Angeles County schools administer the school program in cooperation with the county probation department.

The University of Southern California program is in the Los Angeles County system.

Focus of the program

Training teachers to be more effective with troubled, alienated, delinquent-prone youth.

In the whole country, at best, there are two or three other teacher training efforts for this target population—troubled youth. Therefore, the Teacher Corps effort is among the first in the Nation to develop special teacher preparation programs as part of the formal training of universities and school districts, toward retaining youth in school settings.

If teachers and other educators wanted help through training there are almost no designed training programs available to them for this special area of concern.

The Need in Los Angeles:

1. No designed teacher training program available other than Teacher Corps.

2. Over 20,000 youth come through the juvenile courts and Los Angeles probation system each year. Schools are among the three most frequent referral agents (police and families being the others). School personnel feel they have few educational alternatives to work with behaviorally different students. Therefore, the juvenile probation system often becomes an alternative.

3. Los Angeles has an increasing school violence issue—part of which seems to be related to the need for inschool and school-related alternative educational programs and new training efforts to help teachers develop educational strategies to work with troubled youth.

The U.S.C. Teacher Corps

It is well known that although a wide variety of youth from all strata of the society are involved with delinquency, the greater portion of youth detained in facilities are minority and without substantial resources. In Los Angeles, this is predominantly black and Mexican-American youth. The schools in the correctional facilities draw heavily from the south central and east Los Angeles communities.

The USC program is working with two critical school districts:

1. Los Angeles County special schools.—This is the school jurisdiction within the Los Angeles County probation detention facilities.

Los Angeles County probation is the largest probation department in the world. The Los Angeles County special schools is the largest school program serving a probation population. It exists within a host institution concept—probation has jurisdiction over the child and the total facility—except the school—Los Angeles county schools (incidentally, the largest county school system in the country) has jurisdiction over the school—but not the child.

These schools are in 3 major first contact detention centers and 11 probation camps which span the county. Youth are sent to the camps when the courts think they have no other reasonable alternative to assist them.

The camps have an average of 90 to 100 students.

The Teacher Corps program works with 6 of the 11 camps and has been in and started programs in 2 of the large detention centers.

2. Compton Unified School District.—A major multiethnic school district—south central Los Angeles, was considered predominantly black—recent increasing influx of Mexican-American students and largest Samoan population in an urban school setting.

The USC program is working toward the following goals:

1. To design a special teacher preparation program [for eventual inclusion in the university's regular course of studies] to help teachers be more effective with mobile-troubled youth.

2. To assist schools in using educational strategies as a major intervention in delinquency in the schools as different from the more therapy oriented approaches currently used.

3. To set up a cross-institutional plan between public schools and the special camp schools for development of more adequate educational records and a more cooperative effort of educational planning between the two systems.

4. To help schools set up re-entry programs for better transition of youth released from institutions to their community school.

5. To provide extensive in-service training for all onsite teachers to become involved in retaining youth in schools and developing responsive school environments.

Most importantly, the above goals will be met through a new teacher training design based on an interdisciplinary development from the fields of sociology, special education, teacher education, bilingual education, educational psychology, and secondary and elementary curriculum development.

Curriculum thrust

A number of studies on dropouts, suspended students, and detained students have identified that these students are more often minority students—that is, black and Mexican American—are poor, and have fewer resources available to them. Therefore, the program is building a base of multicultural understanding for all curriculum and program efforts with special emphasis on understanding cultures of black, Mexican-American, and American Indian youth.

A. Special focus—troubled youth—with emphasis on exploring and developing ways in which education can begin to intervene with impact in the cycle of delinquency, providing alternatives to which the youth is able to relate.

B. Profiles—the profiles of troubled youth form the major components for the experimental competency-based emphasis:

Profile.—The troubled youth—takes a look at the youth as an individual, unique needs and wants, issues of interrelating, especially with adults;

Profile.—The juvenile justice system—the philosophical and organizational structures and issues impacting the life of the troubled youth;

Profile.—The learning environment—how to humanize this setting for an already alienated youth, success oriented;

Profile.—The community—how to build support for and acceptance of the youth as a member of the community, as well as develop more cooperative use of community and school resources.

Program outcomes and diffusion of the effort

The program is involving a broad base of school personnel and community services through:

1. Developing a reentry program and cross-institutional information system for youth moving between correctional schools and community schools. A committee composed of:

    School administrators;
    Community resources:
        Youth-serving agencies of the Mexican-American and black communities;
        Probation field and community liaison services;
    Parents of troubled youth;
    School counselors;
    Teacher Corps interns, team leaders;
    Teacher Corps staff;
    University faculty,

are developing the overall plan for use in the second year.

2. Teacher resource centers are being built on all sites so that all teachers will become more familiar with the concerns of troubled youth. These resource centers will offer inservice workshops, onsite, and contain the more recent materials and programs to help troubled youth.

3. Centers for learning are being developed to try different types of classroom design which help the school environment to be more individualized and responsive.

The school district training consortium, four school districts concerned with troubled youth, will participate in a series of training institutes on educational strategies for retaining troubled youth in school. The program was not large enough to participate as LEA's but they have large number of dropout and troubled youth and want training which can help them be more effective in school situations. They will draw teachers from East Los Angeles and South Central Los Angeles.

CAREER EDUCATION

Mr. CONTE. Dr. Pierce, during last year's hearings you were very enthusiastic about career education, but you did point out that evaluation of existing programs was necessary to measure their actual impact. Has that evaluation been completed, and what were the results?

Dr. PIERCE. An evaluation has been completed of what might be called "protype" career education projects. These were the exemplary projects supported under part D of the Vocational Education Act. The projects, which were started between June 1970 and July 1972, were initiated long before the use of the term "career education" became common and before this concept was as fully defined as it is today. However, the projects did include goals which have become transformed into the more specific objectives in the recently published, OE definition of career education.

Data were gathered from each of 50 State projects which had been funded for 3 years. Wide variations were found in the student outcomes. In several, it was recognized that the activities funded through the $250,000 to $300,000 provided for each were not sufficiently intensive to have accomplished the goals and objectives originally stated in the applications. However, in some sites, there was definite evidence of increased knowledge on the part of students about careers and about how they might go about selecting appropriate work for themselves. This was particularly true at the elementary levels. Thus we have some evidence that career education is definitely a feasible concept on which to continue building. The report on this evaluation, carried out by Development Associates, Inc., Washington, D.C., is now in final form and ready for duplication.

UNEMPLOYMENT

Mr. CONTE. To what extent are vocational education programs targeted toward pockets of unusually high unemployment?

Dr. PIERCE. In allotting funds appropriated for vocational education the States are required in the development and administration of their State plan to consider one criterion among four others related specifically to the vocational education needs of areas within the State where high unemployment is occurring. The following criterion is quoted from Public Law 90-576:

> Due consideration will be given to the relative ability of particular local education agencies within the State particularly those in economically depressed areas and those with high rates of unemployment to provides the resources necessary to meet the vocational education needs in the areas or communities served by such agencies.

It is a common practice for States to use this criterion in allotting funds to localities on the basis of the rate of unemployment. However, it should be noted that allotments to localities are made normally once a year on the basis of project applications submitted in advance of that year. Thus any unemployment rate changes which would occur subsequent to that decision could not be responded to until a new appropriation was provided by Congress. It would be correct to understand that adjustments are then made on an annual basis; however, States may on occasion use their own State appropriations for meeting extenuating circumstances due to unemployment.

SAVINGS FROM CONSOLIDATION

Mr. CONTE. To what extent will your proposed consolidation of vocational education reduce the cost of administering vocational education programs? Will the proposed savings allow increased support for vocational education programs from the Federal level?

Dr. PIERCE. The proposed consolidation if approved by Congress and signed by the President would reduce the cost of administering vocational education insofar as the administration of separate parts with separate funding and accounting requirements would allow. However, any efficiencies which would be provided by such consolidation would more than likely be offset by the increased emphasis on planning and improvement of program quality as well as the continued direction of programs for meeting the needs of disadvantaged and handicapped persons. The proposed legislation provides great emphasis on annual and long-range planning which involves State-level staff efforts as well as involvements with individuals and agencies from a wide representation. Furthermore, the expansion of evaluation efforts will add to the cost of administration which in sum total is expected to leave the total cost of administering vocational education programs at about the same level which has been reported to us to be 7.2 percent of the total allotments made to States for part B of the Vocational Education Act of 1963.

CAREER EDUCATION

Mr. CONTE. Testimony last year stated that one of your goals was to put career education on an equal footing with academic education. What progress have you made toward this goal?

Dr. PIERCE. The 1972 Education Amendments included that goal in the legislative language. The office requested and obtained $10 million for expanding career education efforts which draw considerable attention from wide audiences to the need to emphasize career preparation purposes along with other educational objectives. Thus, the increased awareness is evidence of significant change since the 1972 amendments were enacted. Furthermore, the Office of Education has established an Office of Career Education with a Director heading this program reporting directly to the Commissioner. This gives appropriate visibility and attention to a very important effort. The almost universal response among States and localities to giving emphasis to career education in the last several years gives us considerable assurance that we are making progress on this important goal.

TRAINING FOR SCHOOL PRINCIPALS

Mr. CONTE. How will the proposed management training projects for school principals be set up? Will you have demonstration grants for selected areas or would you try to broaden participation by holding seminars open to all principals? How many principals do you estimate will be able to participate during fiscal year 1976?

Dr. PIERCE. There are several approaches to the general objective of giving principals improved management training. In order to determine the most effective mode for this training, in fiscal year 1976, the program will experiment with two significantly different strategies. First, we plan to institute one or two Education Leadership Centers which would offer semester-long and summer training to selected principal-fellows in an academic setting. The staff of these centers would serve as consultants and would run on-site in-service workshops for other principals during the school year. Second, we plan to support training projects in selected local education agencies which would offer part-time training to about 15–20 principals each. As far as possible, this training will be carried out at the actual schoolsite in order to increase the realism of the curriculum. The local agencies from which the participants are selected will commit themselves to the establishment of 3–5 staff development workshops per year through which other principals in the district will share in a less intensive way the insights and experiences of the primary training.

JOB PLACEMENTS

Mr. CONTE. Testimony last year showed that the 50 percent of the vocational education students available for placement some 80 percent were in fact placed in a job. What is the present placement level? Has any evaluation been made of the success for failure of those students placed in a job?

Dr. PIERCE. Our latest reports from the States show that at the end of fiscal year 1973, 53 percent of the students completing vocational education programs were available for placement. Of those, 90 percent were actually placed on jobs. Presently, each State is responsible for conducting followup studies of its graduates and we in the national office have just this fiscal year begun to review selected ongoing State followup studies to determine their effectiveness and appropriateness for consideration of other States. In addition, the National Center for Educational Statistics is considering the development of a national sampling technique for student followup to be used by States in fiscal year 1976. This technique, along with the base data of the national longitudinal study of the high school graduating class of 1972, when developed, will be disseminated to the States for their use.

DROPOUT RATE

Mr. CONTE. During last year's hearings, there was some discussion of the drop out rate for vocational education students. What efforts have you made to reduce the dropout rate?

Dr. PIERCE. This is a most difficult question to answer because information on school leavers is not easily or reliably obtained. We are aware that vocational educational students are often reported as dropouts especially when average daily attendance requirements prevent counting them as students even though they leave prior to the end of the normal school term for employment which was obtained due to vocational education proficiencies learned while in school. Yet such students are often counted as dropouts, even though their educational objective was obtained. One must also note that although a generalization cannot be made at this time, vocational education students frequently have not succeeded at typical school accomplishments which causes them to feel less comfortable with the structured academic regimen which is still required for graduation from high school. In consideration of these facts the U.S. Office of Education has encouraged greater application of the method of providing vocational education through cooperative instruction by placement of students on the job as a part of the curricular requirements. This has not only proven successful in helping students more easily find and maintain employment once the program has been completed but it gives an opportunity for successful practice of those theories and skills learned through the vocational education programs provided on the school site.

TEACHER CORPS

Mr. CONTE. Testimony last year placed the dropout rate for the Teacher Corps at about 24 percent. Has the shift in emphasis to retraining experienced teachers reduced the dropout rate?

Mr. SMITH. The 24 percent dropout rate presented in last year's testimony is an average of dropout rates across six cycles. It should be noted, however, that the dropout rate has decreased as the program has matured as follows:

Cycle:	*Percent interns completed program*
1	49
2	73
3	90
4	85
5	80
6	81

The shift in emphasis to retraining experienced teachers was authorized through Public Law 93-380 enacted August 1974 and, consequently, could not be put into operation before the 10th cycle. We are currently in the process of completing our review of tenth cycle proposals. Because the tenth cycle projects will not begin operations until July 1975, there is no hard evidence on reduction of dropout rate. However, since the retraining focus will be primarily on experienced teachers already on the job and since these teachers will play a critical role in designing their own retraining programs, we expect very low attrition.

Mr. CONTE. How do you attempt to measure improvements in the quality of education as a result of the Teacher Corps program? What have been the results of past evaluations?

Dr. SMITH. Evaluations of local Teacher Corps projects occur in three different ways. Each program officer is responsible for keeping information on the progress of individual projects through close monitoring. All local projects are responsible for their own internal evaluations which are submitted to the national office upon termination of the project. In addition, the Teacher Corps nationally has had 12 outside evaluations since 1968. I will supply a summary of the results of these evaluations:

[The information follows:]

A Study of the Effectiveness of the Sixth-Cycle Teacher Corps Graduates, vols. I and II. David Marsh, principal investigator. (An OPBE evaluation, conducted first with CRI Inc. and then Pacific T. & T.A. Corp., 1974.)

A longitudinal impact study of interns from 20 6th cycle projects produced the following findings. "Teacher Corps graduates were superior to control group teachers on many of the teaching skills and attitudes desired by Teacher Corps projects. Teacher Corps graduates were most different from control group teachers in terms of:

Developing ethnically relevant curricula;
Using community resources in teaching and initiating contact with parents;
Positive attitudes about reading development and causes of poverty in society.

Teacher Corps graduates were able to facilitate greater self concept development in pupils as assessed by both a self concept scale and a classroom interaction guide than the control group. However, there was no difference between the two groups of teachers in terms of facilitating pupil reading again. . . .

No teacher background or Teacher Corps program variables were significantly correlated directly with pupil reading gain. A number of Teacher Corps program variables, however, were correlated with pupil self-concept growth and other pupil variables. The consistent pattern of relationships between most pupil variables and Teacher Corps program characteristics strongly suggest that teacher training does make a difference in pupil behavior in the classroom and in related teacher performance.

Reform and Organizational Survival: The Teacher Corps as an Instrument of Educational Change. Ron Corwin, principal investigator, published by Wiley & Sons, 1973. (A Ford Foundation/NEA Study of 10 Projects during 1969–1970).

In this case study of Teacher Corps (1968–70, 2d–3d cycle) as an exemplar of institutional change in education, Corwin concluded that Teacher Corps has been successful in supporting a philosophy in favor of improving teaching in low-income schools. He discussed how Teacher Corps has provided a coalition of institutions which seek to improve teaching and learning in the schools, and the complex factors associated with the success of these coalitions. He sees Teacher Corps as exemplifying many of the success factors in utilizing such coalitions. Corwin found that while Teacher Corps operates in an environment where there is a lack of consensus about what reforms are needed and where power is diffuse, it has been successful in developing a number of strategies that are effective in such a context.

LEGISLATIVE PROPOSAL

Mr. MICHEL. Is your proposed new program for vocational education designed to keep overall funding at present levels, or does it contemplate a reduction in funding?

Dr. PIERCE. We plan to submit a budget request for $523,006,000 under the proposed legislation for vocational education. This, together with the permanent appropriation of $7,161,455, is the same amount—$530,166,455—we requested in fiscal year 1975. It is, however, some $23 million less than the fiscal year 1975 appropriation.

Mr. MICHEL. You indicate the new program would consolidate existing authorities into two broad categories: basic support grants and incentive grants for innovative activities. What kind of a funding breakdown do you envision between the two categories?

Dr. PIERCE. At present, our legislative program for vocational education, totaling $523,006,000, consists of consolidating the five State grant categorical programs into a single basic grant program to be funded at a level of $358,690,000 or 69 percent of the total. The proposed legislation will also incorporate into a separate category the present innovation, curriculum development, and research programs, together with the vocational education teacher training component of the Educational Professions Development Act. This consolidation will also address populations with special needs. We plan to request $160 million—30 percent—for this category. In addition, level funding—$4,316,000—will be requested for the State Advisory Councils on Vocational Education.

INNOVATION

Mr. MICHEL. How have the States performed to date in the innovative and research fields? In other words, have they effectively utilized the funds at their discretion to develop new approaches and keep their programs in tune with the times, or have they needed considerable prodding in this regard?

Dr. PIERCE. Since the initial funding of the Vocational Education Act of 1963, approximately $280 million has been invested by the Federal Government in State-funded research and demonstration projects in an effort to extend the range and quality of vocational education throughout the Nation. This Federal funding has served as a catalyst to help the States develop new approaches which have definitely kept their programs in tune with the times.

Mr. MICHEL. Will your proposed new program result in greater State authority and discretion in the innovative field, and if so, do you think they will be able to effectively handle it?

Dr. PIERCE. Yes, we think so, especially in view of their active participation up to now.

VARIATIONS AMONG STATES

Mr. MICHEL. According to a study, Project Baseline, which you people are currently funding, there are wide variations among the States in vocational education enrollment, with some States having up to four times as many students enrolled in proportion to their population as other States. Does this generally reflect the extent to which States are funding vocational education on their own, or are there some instances where States may not be fully or effectively using their Federal basic grant allotment?

Dr. PIERCE. All States are effectively using their basic grants under the direction of their State boards for vocational education and on the advice of their State advisory councils. States may choose among the purposes of vocational education which priorities to emphasize. Several States choose to place priority emphasis on postsecondary education which is more expensive per student, thus limiting to some extent, funds which could be used for other purposes. Other States in programing vocational education have periods of training of 3 hours of training per day duration. Thus accommodating less students in a more intensive program. Some States match at the rate of $10 State and local money to each Federal dollar while other States match at a little more than $1 for $1 with an average national matching of State and local of $5.29.

JOB MARKET

Mr. MICHEL. There was a report recently that vocational education is not training people in accordance with today's job market, that the courses are designed for old shortage areas rather than new ones. What are your comments in this regard?

Dr. PIERCE. There may be isolated instances in which training may not be in accord with the occupational opportunities, but in the majority of programs much more attention is being given to adapting programs to occupational demand.

CETA PROGRAM

Mr. MICHEL. What currently is the extent of the cooperation between vocational education people and the manpower training programs under the Comprehensive Employment Training Act? To what extent, for instance, are vocational schools being utilized by the prime sponsors under CETA? Is there any feeling on the part of vocational education people that they are not being fully utilized under CETA?

Dr. PIERCE. Under section 112 of CETA, where cooperation is legislated, 305 of the 403 prime sponsors have developed financial agreements with State boards for vocational education to provide vocational education services in areas served by the prime sponsors. As yet, no overall information is available as to how these agreements are working. However, an informal preliminary survey by the Manpower Information Service on a random sample of prime sponsors indicates that many prime sponsors are serving as their own delivery agents, and county prime sponsors are using community action agencies more extensively as deliverers of services.

Mr. MICHEL. The cost of training people under manpower programs such as CETA is substantially higher than under vocational education. Is there a significant degree of overlap between the programs and might a good case be made for consolidation in this field in order to achieve a more efficient and less costly program?

Dr. PIERCE. The present vocational education legislation does not provide an opportunity for skill training with allowances and support services required by the target group addressed under CETA. Although training may be provided in the same occupations, the respective target population needs are significantly different. One further difference often obscures easy and clear comparisons of these two programs; namely, that in addition to vocational education courses, most vocational education students are simultaneously enrolled in other general education courses. Such costs are usually not included in the cost of providing vocational education. However, manpower programs include all related costs associated with such trainees, whether direct or indirect.

DATA REQUIREMENTS

Mr. MICHEL. The Project Baseline study indicates that because several reporting requirements for vocational students have been dropped by the Office of Education, and because there is disagreement among States as to definitions, et cetera, there is an absence of effective national data on the vocational education program and the use of Federal funds. Is this an accurate assessment and are any steps being undertaken to improve nationwide reporting, such as standardizing definitions, setting up a computerized data retrieval system, or something along this line?

Dr. PIERCE. There has been a continuing effort to lessen the burden of excessive reporting by States; however, several data elements are being required on the present forms being sent to States, such as information on females in programs, ethnic enrollments, additional information on Federal funds for State administration, supervision and evaluation, and some additional information on new and emerging occupational programs. There are several research efforts being undertaken by the Office to improve the national information system on vocational education and to standardize definitions and for retrieval of information. Under part C of the Vocational Education Act, discretionary funds were used to fund 21 projects in the manpower information and system area. Several of these projects will attempt to provide the basis for vocational education data to interface with economic development groups and to assist in job development approaches.

TRAINING OF EDUCATIONAL PERSONNEL

Mr. MICHEL. You are continuing to request funding for programs designed to improve the training of teachers—such as Teacher Corps—and are now asking for new funds for the training of school principals. Have you any concrete evidence to show whether such programs have been effective in their mission?

Dr. PIERCE. Our staff has consulted with a half dozen or more experts who are involved with small-scale programs of the kind we are proposing. All of these can offer varying degrees of evidence of effectiveness. However, one of these in particular, the program for the development of the role of the elementary school principal as an educational leader, sponsored by the Bank Street College of Education and the Chase Manhattan Bank, does offer the kind of concrete evidence of effectiveness that we are reasonably sure we can achieve in the proposed program.

ADULT EDUCATION

Mr. MICHEL. What kind of a demand has there been for adult education programs? In other words, is there a greater demand than there are class openings available, or is the situation just the reverse?

Dr. PIERCE. The demand for adult education does indeed exceed the number of available class openings. As a measure of the demand, the number of persons on the waiting list for entrance into the adult education program was 19,851 for fiscal year 1973 and approximately 16,945 for fiscal year 1974. The fiscal year 1974 figure is based on data reported by 37 adult education State programs. It is expected that the actual number of persons on the waiting list will exceed that of fiscal year 1973 by several thousands.

The number of persons on the waiting list is expected to be greater in fiscal year 1975, as a result of the rise in unemployment. As an indicator, State agencies are making it known that there are numerous persons attempting to attend adult education programs during their period of unemployment. However, State programs are presently turning these people away, as well as employed persons, because of a lack of a sufficient number of facilities and teachers.

A survey of the big ten adult education State directors, which comprises over three-fourths of the total program, indicates that they could double the size of the program if resources were doubled. Several thought that there would be some savings involved because more full-time programs could be established, as a larger number of adults could be served. Several urban areas—Washington, D.C., Detroit, Atlanta, and Grand Rapids—reported a waiting list of adult learners who could be served with additional resources. Several urban administrators report that the majority of adult clients are referred from allied agencies and if the public schools were to initiate a recruitment and promotional campaign the program would not be able to accommodate the increased participants.

Two other factors that should be considered in a discussion of the demand of adult education programs are (1) the number of immigrants arriving each year who require English as a second language in order to cope effectively in our society and (2) the number of youth who drop out of public schools each year. Currently, there are approximately 400,000 immigrants and 750,000 high school dropouts who become candidates for adult education programs annually; we do not know what degree these figures will fluctuate in the future.

Demands for adult education programs can also be shown through the number of adults 16 years of age and older who have attained less than a high school diploma or its equivalent. I would like to supply these figures for the record.

[The information follows:]

	Number
Under 8 years of school, age—	
16 to 44	3, 460, 000
45 to 54	2, 343, 000
55 to 64	2, 928, 000
65 to 74	3, 256, 000
75 plus	2, 565, 000
Total	14, 552, 000
Under 12 years of school, age—	
16 and over	58, 335, 000
16 to 44 [1]	26, 217, 000
45 plus	32, 118, 000

[1] It should be noted that approximately 7,764,000 of the group between 16 and 44 are still enrolled in high school but have not graduated.

Mr. MICHEL. Is there any solid evidence available showing that the adult education programs have in fact improved the occupational lot of the people taking the courses?

Dr. PIERCE. For several years data has been collected from State agencies regarding the impact of the adult education on the economic status of persons enrolled in the program. A review of these data reveal an improvement in the occupational situation of many of the participants:

[The information follows:]

Fiscal year (1)	Number of adult education participants who— Change to or were upgraded to a better job as a result of experience in program (2)	Obtained jobs as a result of experience gained in program (3)	Were removed from public assistance rolls (4)
1974 [1]	23, 782	31, 112	7, 337
1973 [2]	27, 610	39, 933	16, 213
1972 [3]	26, 038	41, 502	14, 847

[1] Estimate based on reports from 37 State programs.

[2] Osso, Nicholas, National Center for Educational Statistics. "Adult Basic/Secondary Education Programs" (to be published in fiscal year 1975).

[3] Osso, Nicholas, National Center for Educational Statistics. "Adult Basic Education Program Statistics," (OE) 74-11413, 1974, pp. 25.

A recent national evaluation of OE's Adult Education State Grant program indicates that the adult basic education students who were interviewed, steadily increased their employment and earnings. Improvement in the earnings of those who worked was substantial, averaging a little over 20 percent during the 18-month interval of the survey—from a mean of $366 per month to a mean of $407 per month. Of those working, most believed that the adult education program helped some or very much.[4]

Mr. MICHEL. I noticed that your request for adult education is $67,500,000. Will this amount be sufficient to hold States harmless at not less than 90 percent of their fiscal year 1973 allocation, according to provisions of the new law?

Dr. PIERCE. Yes, the amount of $67,500,000 is sufficient to hold States harmless at not less than 90 percent of their fiscal year 1973 allocation. It should be noted however, that this amount does not provide each State its proportionate amount required in relation to its population of adults who do not have a certificate for graduation from high school and who are not currently required to be enrolled in school. Comments we have been receiving from the State agencies indicate that during fiscal year 1975, programs are operating on restrained budgets because of new program authorities provided by the Education Amendments of 1974. Consequently, many States will not establish programs under the permissive provisions (for example, State Advisory Councils, high school programs, programs for institutionalized persons, et cetera). Further, they will meet only the minimum percentages of required provisions (for example, special projects, teacher training, and so forth). The result of these new program requirements will prevent the adult education program from expanding and will curtail the number of people to be served. In fact, the percentages contained in the law for special projects and teacher training programs will reduce the amount of funds available for States to operate programs of instruction.

PERSONNEL TRAINING

Mr. MICHEL. Why are you not requesting funds in 1976 for higher education personnel training and vocational personnel training under the Education Professions Development Act?

Dr. PIERCE. We are not requesting funds for those activities in fiscal year 1976 because; first, the vocational personnel training program is scheduled to be incorporated into the new legislation for vocational education; and, second, there exists a general surplus of persons available to teach at the postsecondary level.

LEGISLATIVE PROPOSAL

Mr. SHRIVER. Dr. Pierce, although it is doubtful we will have new vocational education legislation in time for this appropriation bill, could you tell us when you expect the administration's proposal for the new program to be sent to Congress?

Dr. PIERCE. Although no definite date has been set for submitting the new legislation, we expect to have our proposal before the Congress around the second week in April.

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[4] Kent, William (System Development Corp). "A Longitudinal Evaluation of the Adult Basic Education Program," TM-WD-5743, November 1973, pp. 1-7 and 2-30.

NONFEDERAL SUPPORT

Mr. SHRIVER. The vocational and adult education programs for which you are testifying receive considerable State government and other financial support as well as this Federal support. Would you furnish a breakdown of that other support for the record?

Dr. PIERCE. Over $3 billion from Federal, State, and local sources were expended for vocational education during fiscal year 1973, with 15.9 percent being Federal and 84.1 percent State and local funds. For each dollar of Federal funds expended, the States expended $5.29 with a range among the States of $10.55 to $1.21.

TRAINING OF SCHOOL PRINCIPALS

Mr. SHRIVER. I'd like to hear more about what you have in mind in regard to the training of elementary and secondary school principals. It appears that some additional labor-management relations training is going to be helpful. Would you get into that?

Dr. PIERCE. Your comment and question are very timely. Among the more substantive areas of knowledge and insights not traditionally offered in the educational administration programs in our colleges of education is the area of labor-management relations, contract negotiations, grievance procedures, and so forth. As teacher unions grow and enlarge their influence, this is one area now generally recognized as a necessary component of any realistic curriculum for management training for principals.

FUNDING REQUIREMENTS

Mr. SHRIVER. If the vocational education item is extended for 1 year, which is allowed under existing legislation, how much would be needed, based on the fiscal 1975 appropriation, to fund the program at the same level of operations with provision for cost of living increases?

Dr. PIERCE. To fund programs at the same level of operations with the provision for cost of living increases, a 10-percent increase across the board must provide for the increased cost of equipment, transportation, and salaries.

TEACHER SHORTAGE AREAS

Mr. SHRIVER. Our report last year expressed concern about the shortage of teachers for the handicapped, for vocational education, for junior and community colleges, and for bilingual and Indian education. Your response to this concern, which appears on page 234 of the justifications, states that you have earmarked nothing for these areas. Would you be more specific as to where funds are available for these areas of teacher shortage and how much is being requested for fiscal 1976 in each area? Generalities are not very helpful to our constituents when they are looking around for assistance.

Dr. PIERCE. Nearly 90 percent of the 1976 budget request for higher education relates to student assistance which concentrates funds in the basic opportunity grant and insured loan programs which provide aid directly to students and is therefore designed to allow them to choose to attend institutions on the basis of their academic interests and career needs rather than on an institution's ability to provide them with financial aid. Funds are requested as follows:

1. Grants and work-study:	
(a) Basic opportunity grants	$1,050,000,000
(b) Work-study	250,000,000
2. Interest on insured subsidized loans	452,000,000
3. Incentive grants for State scholarship	44,000,000

STATE ADVISORY COUNCILS

Mr. **Shriver.** Do you favor continuation of Federal support for the State Advisory Councils for vocational education under the new legislation coming up? What is your assessment of these councils?

Dr. **Pierce.** We definitely favor continuation of Federal support for the State Advisery Councils. They have reflected the opinions of target groups on a statewide basis in their evaluation of existing programs and advice to State boards on new programs and thus add an important dimension to improving and strengthening vocational education.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, [section 102(b)($20,000,000), parts B and C ($438,978,000), D, F ($35,994,000), G ($19,500,000), H ($9,849,000) and I of the Vocational Education Act of 1963, as amended (20 U.S.C. 1241-1391), the Cooperative Research Act, and][1] parts B-1 [($37,500,000),] *and* D[($8,139,000), E ($2,100,000), and F ($9,000,000)][2] of the Education Professions Development Act [$612,376,000 including $16,000,000 for exemplary programs under Part D of said 1963 Act of which 50 per centum shall remain available until expended and 50 per centum shall remain available through June 30, 1976, and not to exceed $18,000,000 for research and training under part C of said 1963 Act][1] *and the Adult Education Act of 1966, $113,212,000 of which $67,500,000 for the Adult Education Act shall become available for obligation July 1, 1976, and shall remain available for obligation through September 30, 1977.*[3]

[For carrying out, to the extent not otherwise provided, the Adult Education Act of 1966, and section 907 of the Elementary and Secondary Education Act of 1965, as amended, $136,800,000: *Provided*, That of this amount, $67,500,000 shall become available for obligation on July 1, 1975 and shall remain available through June 30, 1976.][4]

[Funds appropriated under "Occupational, Vocational, and Adult Education" in the Departments of Labor and Health, Education and Welfare Appropriations Act, 1975 for carrying out career education under the Cooperative Research Act shall be available only to carry out the provisions of section 406 of Public Law 93-380.][5]

For "Occupational, vocational, and adult education" for the period July 1, 1976 through September 30, 1976 $17,500,000. 6/

Explanation of Language Changes

1. Federal support for vocational education will be requested under proposed legislation which will consolidate the various vocational education programs. Therefore, references to existing categorical authorities are deleted. The Cooperative Resarch Act has been repealed.

2. Reference to Parts E and F of the Education Professions Development Act has been deleted since no funds are being requested for these parts. Amounts for parts B-1 and D are deleted since it is not necessary to earmark amounts.

3. The language includes a special provision placing Adult Education on an advanced funded basis. Thus, the current request includes an advance appropriation of $67,500,000 to be available in fiscal year 1977 to fund school year 1976-77.

4. This deletion was a supplemental appropriation in fiscal year 1975.

5. This deletion reflects the transfer of career education from this account to the appropriation for Innovation and Experimental Programs.

6. Language is included to cover the interim period July 1 - September 30, 1976 for the teacher corps program under this appropriation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Amount Available for Obligation

	1975 Revised	1976	1976 Advance for 1977
Appropriation:			
Annual	$681,676,000	$113,212,000 2/	$67,500,000
Permanent	7,161,455	7,161,455	---
Proposed rescissions	-39,712,000	---	---
Subtotal, adjusted appropriation	649,125,455	120,373,455	67,500,000
Comparative transfer to:			
"Innovative and experimental programs" for career education	-10,000,000	---	---
"Higher education" for ethnic heritage	1/	---	---
Subtotal, budget authority	639,125,455	120,373,455	67,500,000
Unobligated balance, start of year	681,893	---	---
Total, obligations	639,807,348	120,373,455	67,500,000

1/ Included in the amount proposed for rescission.

2/ Excludes an amount of $523,006,000 proposed for later transmittal under proposed legislation for vocational education.

Summary of Changes

1975 Estimated obligations	$677,719,348
Less: Proposed rescission	-37,912,000
Subtotal, 1975 Revised obligations	639,807,348
1976 Estimated obligations	120,373,455 1/
Net change	-519,433,893
1976 Advance appropriation for 1977	67,500,000

	1975 Base	Change from Base
Increases:		
Program:		
1. Other education personnel development:		
(a) Educational leadership	$ ---	$ +3,000,000
2. Adult education	63,319,000	+4,181,000
Total, increases		+7,181,000
Decreases:		
Program:		
1. Grants to States for vocational education programs	495,167,455	-488,006,000
2. Vocational research	35,681,893	-35,681,893
3. Education personnel:		
(a) Other education personnel development	8,139,000	-2,927,000
Total, decreases		-526,614,893
Total, net change		-519,433,893

	1976 Base	Change from Base
Program:		
1. Adult education	67,500,000	---

1/ Excludes $523,006,000 proposed for later transmittal under proposed legislation for vocational education.

Explanation of Changes

Increases:

1. Other education personnel development -

(a) Educational leadership - An amount of $3,000,000 is requested to initiate a new training program to improve the management and planning capabilities of elementary and secondary school principals.

2. Adult education - An increase of $4,181,000 over the 1975 level of $63,319,000 will provide a total of $67,500,000 for fiscal year 1976 to meet the "hold harmless" requirement as provided in the legislation. The funding level requested for fiscal year 1977 is the same as was appropriated for fiscal year 1976.

Decreases:

1. Grants to States for vocational education programs - No funds are requested for vocational education at this time. New legislation is being proposed and funds will be sought under a supplemental request.

2. Vocational research - No funds are requested for vocational research at this time. New legislation is being proposed and funds will be sought under a supplemental request.

3. Other education personnel development - The reduction of $2,927,000 for other education personnel development reflects the termination of career opportunities and categorical programs which have accomplished their basic purposes. The urban/rural school development program will continue to support 31 existing projects at a level of $5,212,000 in fiscal year 1976, the fifth and final year of operation.

Obligations by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or decrease
	Grants to States for vocational education programs:				
239	(a) Basic vocational education programs:				
	(1) Annual......	$420,978,000	$405,347,000	$ ---1/	$-405,347,000
	(2) Permanent...	7,161,455	7,161,455	7,161,455	---
	Subtotal..	428,139,455	412,508,455	7,161,455	-405,347,000
241	(b) Programs for students with special needs....	20,000,000	20,000,000	---1/	-20,000,000
242	(c) Consumer and homemaking education.	35,994,000	30,994,000	---1/	-30,994,000
243	(d) Work-study.........	9,849,000	7,849,000	---1/	-7,849,000
244	(e) Cooperative education.............	19,500,000	19,500,000	---1/	-19,500,000
245	(f) State advisory councils.........	4,316,000	4,316,000	---1/	-4,316,000
	Subtotal....	517,798,455	495,167,455	7,161,455	-488,006,000
	Vocational research:				
246	(a) Innovation.........	16,681,893	16,681,893	---1/	-16,681,893
248	(b) Curriculum development.............	1,000,000	1,000,000	---1/	-1,000,000
250	(c) Research...........	18,000,000	18,000,000	---1/	-18,000,000
	Subtotal......	35,681,893	35,681,893	---	-35,681,893
	Education personnel:				
252	(a) Teacher corps......	37,500,000	37,500,000	37,500,000	---
	(b) Other education personnel development:				
255	(1) Urban/rural school development.	5,541,100	5,541,100	5,212,000	-329,100
257	(2) Career opportunities..	1,784,000	1,784,000	---	-1,784,000
	(3) Categorical programs:				
259	(a) Indian programs	406,950	406,950	---	-406,950
260	(b) Bilingual programs	406,950	406,950	---	-406,950
261	(4) Educational leadership	---	---	3,000,000	+3,000,000
262	(5) Vocational education.	9,000,000	---	---1/	---
264	(6) Higher education....	2,100,000	---	---	---
	Subtotal..	19,239,000	8,139,000	8,212,000	+73,000
265	Adult education.........	67,500,000	63,319,000	67,500,000	+4,181,000
	(1976 advance for 1977).			(67,500,000)	---
	Total obligations...........	677,719,348	639,807,348	120,373,455	-519,433,893
	(Total 1976 advance for 1977)			(67,500,000)	---

1/ This activity is proposed for later transmittal under the proposed legislation for vocational education.

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease	1976 advance for 1977
Other services....	$ 90,500	$ 90,500	$ ---	$ -90,500	$
Grants, subsidies and contributions..........	677,628,848	639,716,848	120,373,455	-519,343,393	67,500,000
Total obligations by object.......	677,719,348	639,807,348	120,373,455 [1]	-519,433,893	67,500,000

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[1] Excludes $523,006,000 proposed for later transmittal under proposed legislation for vocational education.

Significant Items in House and Senate Appropriations Committee Reports

Item	Action taken or to be taken
1975 House Report	
Other education personnel development	
1. Committee is concerned about the shortage of specialized teachers for the bilingual, Native Americans, handicapped, and for vocational education and junior and community colleges. (page 12)	1. Although no funds were appropriated for categorical programs, OE provided five percent of EPDA, part D funds for teachers of Indian children and five percent for bilingual personnel training. Specialized teacher training is available from other OE appropriations, such as Education for the handicapped, Higher education, Elementary and secondary education, and Indian education.

Authorizing Legislation

Legislation	1976 Authorized	1976 Appropriation requested	1976 Advance for 1977 Authorized	1976 Advance for 1977 Appropriation requested
Vocational Education Act of 1963:				
Section 102(b) -- Programs for students with special needs..........	$ 60,000,000 1/	$ 2/	$	$
Section 103(a) -- Transfer to Department of Labor for studies on manpower needs.........	5,000,000	---		
Section 104(b) -- State advisory councils......	Indefinite	2/		
Part B -- Basic vocational education programs.....	504,000,000	2/		
Part C -- Vocational research and training..	56,000,000	2/		
Part D -- Innovation.....	75,000,000 1/			
Part E -- Residential schools................	60,000,000 1/	---		
Part F -- Consumer and homemaking education...	50,000,000 1/	2/		
Part G -- Cooperative education..............	75,000,000 1/	2/		
Part H -- Work-study.....	55,000,000 1/	2/		
Part I -- Curriculum development............	10,000,000 1/	2/		
Smith-Hughes Act (Permanent)	7,161,455	7,161,455		
Education Professions Development Act:				
Section 504 -- Attracting qualified persons to field of education.....)		---		
Part B-1 -- Teacher corps)		37,500,000		
Part C -- Fellowships for teachers and related education personnel....)		---		
Part D -- Improving training opportunities for personnel serving in programs of education..)	450,000,000 1/	--- 8,212,000		
Part E -- Training programs for higher education personnel.........)		---		
Part F -- Training and development programs for vocational education personnel..............)		---		
Adult education Act........	183,750,000	67,500,000 3/	210,000,000	67,500,000

1/ Based on 1-year extension authority under GEPA.
2/ Proposed for later transmittal under proposed legislation
3/ Enacted appropriation

Occupational, Vocational, and Adult Education

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966	$329,741,000	$299,741,000	$324,241,000	$324,104,000
1967	374,961,000	373,839,000	380,289,000	349,523,000
1968	436,350,000	380,350,000	398,450,000	362,516,000
1969	474,748,000	443,866,000	460,066,000	428,391,000
1970	463,216,000	665,353,000	699,716,000	545,144,000
1971	583,256,000	633,756,000	647,666,000	637,506,000
1972	611,225,000	700,355,000	744,725,000	698,886,000
1973	689,403,000	639,131,000	600,646,000	746,714,000
1974	620,106,000	700,605,000	754,482,000	685,403,000
1975 Considered	645,595,000	676,211,000	692,351,000	669,876,000
Rescission proposed	-37,912,000			
1976 Advance	63,319,000	63,319,000	67,500,000	67,500,000
1976	45,712,000 1/			
1977 Advance	67,500,000			

NOTE: In order to reflect comparability with the 1976 estimate this history table excludes activities transferred to the appropriations for Innovative and experimental programs and Higher education.

1/ This amount does not include Vocational education funds proposed for later transmittal; the table is otherwise comparable.

Justification
Occupational, Vocational, and Adult Education

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Grants to States for vocational education programs:				
(a) Basic vocational education programs:				
(1) Annual	$420,978,000	$405,347,000	1/	$-405,347,000
(2) Permanent	7,161,455	7,161,455	7,161,455	---
Subtotal	428,139,455	412,508,455	7,161,455	-405,347,000
(b) Programs for students with special needs	20,000,000	20,000,000	1/	- 20,000,000
(c) Consumer and homemaking education	35,994,000	30,994,000	1/	- 30,994,000
(d) Work-study	9,849,000	7,849,000	1/	- 7,849,000
(e) Cooperative education	19,500,000	19,500,000	1/	- 19,500,000
(f) State advisory councils	4,316,000	4,316,000	1/	4,316,000
Subtotal	517,798,455	495,167,455	7,161,455	-488,006,000
Vocational research:				
(a) Innovation	16,681,893	16,681,893	1/	- 16,681,893
(b) Curriculum development	1,000,000	1,000,000	1/	- 1,000,000
(c) Research	18,000,000	18,000,000	1/	- 18,000,000
Subtotal	35,681,893	35,681,893	1/	- 35,681,893
Educational personnel:				
(a) Teacher corps	37,500,000	37,500,000	37,500,000	---
(b) Other education personnel development:				
(1) Urban/rural school development	5,541,100	5,541,100	5,212,000	- 329,100
(2) Career opportunities	1,784,000	1,784,000	---	- 1,784,000
(3) Categorical programs:				
(a) Indian programs	406,950	406,950	---	- 406,950
(b) Bilingual programs	406,950	406,950	---	- 406,950
(4) Educational leadership	---	---	3,000,000	+ 3,000,000
(5) Vocational education	9,000,000	---	1/	---
(6) Higher education	2,100,000	---	---	---
Subtotal	19,239,000	8,139,000	8,212,000	+ 73,000
Adult education	67,500,000	63,319,000	67,500,000	+ 4,181,000
(1976 advance funding for 1977)			(67,500,000)	
Total obligations	677,719,348	639,807,348	120,373,455	- 519,433,893
(Total 1976 advance funding for 1977)			(67,500,000)	

1/ Request is proposed for later transmittal pending new legislation

General Statement

Funds for vocational education, the major activity in this appropriation, will be requested in 1976 under new legislation which proposes to shift the focus of Federal assistance for vocational education substantially from general support services to innovative projects. The legislation will consolidate existing authorities into two broad categories--grants for support of basic vocational education programs and incentive grants for innovative activities. The legislation will simplify the administration of Federal assistance for vocational education, while continuing support for the operation of programs providing vocational education opportunities to some 14 million individuals. State advisory councils will be continued. The permanent vocational education appropriation, authorized by the Smith-Hughes Act, would be combined with and used for the purposes of grants to States under the new vocational education legislation.

The amount of the current request, $120,373,455, includes $67,500,000 for the advance funding of school year 1976-77 in adult education. In fiscal year 1975, funds were appropriated on an advance-funded basis for the first time. Thus, $67,500 $67,500,000 was included for school year 1975-76. During the 1976-77 school year, priority will continue to be placed on younger adults with less than an 8th grade level of education.

. Also in the request is $5,212,000 for the urban/rural school development program targeted to low-income students. These funds will provide final support to phase out this 5-year effort involving 31 projects and 3,500 school staff and community members. In addition, $3,000,000 is included for a new educational leadership program to improve the management and planning capabilities of elementary and secondary school principals, and $37,500,000 is again requested to continue the teacher corps program. An amount of $7,161,455 is included for the permanent appropriation.

The 1975 revised budget reflects a proposed rescission of $37,912,000 from the amount provided by the Congress. This rescission has already been presented to the Congress and this budget reflects the hope for approval of the rescission.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
a. Basic vocational education				
(1) Annual..............	$420,978,000	$405,347,000	$ ---	$-405,347,000
(2) Permanent...........	7,161,455	7,161,455	7,161,455	---
Total..........	428,139,455	412,508,455	7,161,455	-405,347,000

Narrative

Program Purpose

To assist the States in maintaining, extending, and improving existing programs of vocational education and in developing new programs for persons of all ages so that education and training for career vocations are available to individuals who desire and need such training for gainful employment, Part B of the Vocational Education Act, combined with the permanent Smith-Hughes Act, authorizes grants to the States based on the formula prescribed in the Act. To meet actual or anticipated labor demands, vocational education programs are designed to provide youth and adults with the occupational skills they need to enter into and advance throughout the Nation's labor force. Funds may be used for support of State and local administrative personnel, institutional support, vocational guidance and counseling, training of teachers, construction and remodeling of facilities, purchase of training materials and equipment, and development of curricula, research, and evaluation. Forty percent of each State's allotment must be set-aside for specific purposes: (1) 15 percent for the disadvantaged; (2) 10 percent for the handicapped; and (3) 15 percent for postsecondary programs. The formula grants are made to the States based on population by age groups and per capita income. Except for the set-asides for the disadvantaged and handicapped State-wide matching is required on a dollar-for-dollar basis.

Plans for fiscal year 1976

Funds for the annual appropriation will be requested under proposed legislation designed to simplify State administration of Federal assistance for vocational education by consolidating the various line items as they presently exist. Under the new consolidated legislative program, States and localities will have greater flexibility in the use of Federal funds and will be able to continue activities such as those previously budgeted for separately. The funds requested for the permanent appropriation would not be affected by the proposed legislation. These funds would be combined with and used for the purposes of grants to States under the new legislation.

Accomplishments for fiscal years 1974 and 1975

Fifty-six grants were awarded to States and outlying areas to assist them in providing programs of vocational education for 9,165,000 students in 1974 and 9,950,000 students in 1975. During this period, instructional programs and services were further developed to the extent that students completing these programs were qualified for employment, and were also eligible for further training in areas leading to advanced employment.

A system for identification of data on new and revised curriculum guides and other materials was developed and disseminated to the States so that educational programs could be restructured around a comprehensive career development system featuring extensive community, industrial, and business involvement. This activity incorporates the expanded use of cooperative education with particular emphasis on curriculum development to meet the needs of students from the various minority groups. Through an analysis made of occupational requirements and an evaluation of on-going State programs, national priorities can be established for developing new and expanded vocational education programs.

Each year ten different States requested and were provided technical assistance from the central and regional Office of Education personnel in improving their management practices and evaluation procedures for delivery of services to the students through the local education agencies.

The 1975 revised budget reflects a proposed rescission of $15,631,000 from the amount provided by Congress.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
b. Program for Students with special needs	$20,000,000	$20,000,000	$ ---	$-20,000,000

Narrative

Program Purpose

To provide programs and services for persons who are not able to succeed in regular vocational programs because of poor academic backgrounds, lack of motivation, and depressing environmental factors, section 102(b) of the Vocational Education Act as amended, authorizes grants to the States and outlying areas for this purpose. Programs are concentrated within the States in areas where there is high youth unemployment and school dropouts. Special services and programs are provided disadvantaged students to encourage them to stay in school and to acquire the academic and occupational skills needed for successful employment when they leave school or pursue their career preparation. These funds are in addition to the 15 percent available under the basic grants to States provided under Part B of the Act which must be used for this same purpose. Formula grants are made to the States based on population by age groups and per capita income. No matching is required.

Plans for fiscal year 1976

Funds for this activity will be requested under proposed legislation designed to simplify State administration of Federal assistance for vocational education by consolidating the various line items as they presently exist. Under the new consolidated legislative program, States and localities will have greater flexibility in the use of Federal funds and will be able to continue activities such as those previously budgeted for separately, and to emphasize those activities that they identify as the most critical.

Accomplishments for fiscal years 1974 and 1975

Fifty-six grants were awarded the States and outlying areas to assist them in providing programs of vocational education to 184,000 students with special needs in 1974 and 201,000 such students in 1975. During this period, these academically disadvantaged students were enrolled in programs which provided them the academic and occupational skills they needed for employment and future career preparations.

Guidelines and direction were provided to the States in developing and implementing programs which helped to identify and recruit students with special needs. This included making available to the States and local districts the results of research findings conducted under the research components of the Vocational Education Act. Financial and manpower resources were made available to the States to assist them in developing data retrieval systems to facilitate the planning and evaluation of these special programs. The States sponsered work-shops and meetings to familiarize those concerned with developments in this area. Special emphasis by the States was placed on establishing coordinated recruitment, placement, and follow-up activities with other Federal, State, and local agencies as well as with the business community for career development. Programs utilized the cooperative education concept where possible. In addition, local school districts sponsered preservice and inservice staff development activities for personnel.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
c. Consumer and home-making education............	$35,994,000	$30,994,000	$ ---	$-30,944,000

Narrative

Program Purpose:

To prepare youths and adults for the role of homemaker and wage earner, Part F of the Vocational Education Act of 1963, as amended, authorizes formula grants to the States based on population age groups between 15 and 65. Funds may be used for ancillary services such as teacher training and supervision, curriculum development, purchase of equipment, and State administration and leadership. Youth in secondary schools, young adults in postsecondary schools and older adults, including the elderly, throughout the Nation are served with these programs. States must use at least one-third of the Federal funds in economically depressed areas or areas with high rates of unemployment. Fifty percent matching is required except in economically depressed areas where matching is 90 percent Federal and 10 percent State and local.

Plans for fiscal year 1976

Funds for this activity will be requested under proposed legislation designed to simplify State administration of Federal assistance for vocational education by consolidating the various line items as they presently exist. Under the new consolidated legislative program, States and localities will have greater flexibility in the use of Federal funds and will be able to continue activities such as those previously budgeted for separately, and to emphasize those activities that they identify as most critical.

Accomplishments for fiscal years 1974 and 1975

Fifty-six grants were awarded to the States and outlying areas to assist them in providing consumer, management, and life skills to 3,435,000 youth and adults in 1974 and 3,675,000 in 1975.

Instruction in consumer education, child care development, home management, and the development of personal and family life skills assisted participants in becoming employable. Teacher education and curriculum development were strengthened. Technical assistance was made available to State and local personnel in implementing consumer and homemaking programs as a part of the total development of career education. These programs provided career opportunities for youth and adults in such human services fields as child care, care of the elderly, consumer services and food services. At least one-third of the funds available for this activity were used in areas of high unemployment. Special efforts were made to incorporate innovative approaches meeting consumer and homemaking needs in these areas.

The 1975 revised budget reflects a proposed rescission of $5,000,000 from the amount provided by Congress.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
d. Work-study....................	$9,849,000	$7,849,000	$ ---	$-7,849,000

Narrative

Program Purpose

To assist economically disadvantaged full-time vocational education students, aged 15-20, to remain in school by providing part-time employment with public employers such as hospitals and State and local government agencies, Part H of the Vocational Education Act of 1963, as amended, authorizes grants to the States for work-study programs. States are required to give preference in funding to schools serving communities with large numbers of youth who have dropped out of school or who are unemployed. Formula grants based on a population age group 15-20 are made to the States for the development and administration of the program and for compensation of students by the local educational agency or other public agencies or institutions. Matching is 80 percent Federal and 20 percent State and local.

Plans for fiscal year 1976

Funds for this activity will be requested under proposed legislation designed to simplify State administration of Federal assistance for vocational education by consolidating the various line items as they presently exist. Under the new consolidated legislative program, States and localities will have greater flexibility in the use of Federal funds and will be able to continue activities such as those previously budgeted for separately, and to emphasize those areas they identify as most critical.

Accomplishments for fiscal years 1974 and 1975

Fifty-six grants were awarded the States and outlying areas to assist in providing work-study programs for 36,000 economically disadvantaged vocational education students in 1974 and 39,000 in 1975.

These programs provided students financial incentive to remain in school at least long enough to complete a program of occupational training leading to gainful employment. In addition to providing financial assistance to those students who would leave school for economic reasons, work-study programs were used to implement the objectives of career education since participating students were able to complete programs of studies qualifying them for employment. Technical assistance was provided the States in evaluating individual work-study programs with special emphasis on extending involvement into new and emerging occupations.

The 1975 revised budget reflects a proposed rescission of $2,000,000 from the amount provided by Congress.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
e. Cooperative education...	$19,500,000	$19,500,000	$ ---	$-19,500,000

Narrative

Program Purpose

To assist enabling students to receive part-time vocational education instruction in the school and on-the-job training through part-time employment programs of cooperative education are supported which involve arrangements between schools and employers. Priority is given to areas where there are high rates of student drop-outs and youth unemployment. Students in most cases must be 16 years of age to participate and are paid by the employer, either a statutory minimum wage or a student-learner rate established by Department of Labor regulations. Part G of the Vocational Education Act of 1963, as amended, authorizes formula grants to the States, based on $200,000 to each State and D.C. and the remainder on the basis of the 15-19 population. Financial assistance is provided for personnel to coordinate cooperative programs; to provide instruction related to work experience; to reimburse employers for certain costs; and to pay for certain services to students. No Federal funds are paid directly to students for their work. Federal funds may be used for all or part of a State's expenditure for programs authorized and approved under this part.

Plans for fiscal year 1976

Funds for this activity will be requested under proposed legislation designed to simplify State administration of Federal assistance for vocational education by consolidating the various line items as they presently exist. Under the new consolidated legislative program, States and localities will have greater flexibility in the use of Federal funds and will be able to continue activities such as those previously budgeted for separately, and to emphasize those areas that they identify as most critical.

Accomplishments for fiscal years 1974 and 1975

Each year, fifty-six grants were awarded to the States and outlying areas to enroll 177,000 students in cooperative education programs in 1974 and 196,000 in in 1975. These students were given opportunities for work experience related directly to their school instruction and career choice in such fields as marketing, distribution, business and office occupations, and health occupations. In addition, each year, about 700 preservice and 1,700 inservice teacher-coordinators were trained in methodologies and curriculum development as well as guidance and counseling which better equipped them to provide maximum services to the students. States continued to give priority to areas of high rates of school dropouts and youth unemployment by providing 80 percent of their allocations for this activity to such areas.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
I. State advisory councils........	$4,316,000	$4,316,000	$ ---	$-4,316,000

Narrative

Program Purpose

To advise State Boards of Vocational Education on the development and administration of State plans and advise the State agency on the administration of occupational education, evaluate vocational education programs, services and activities, publish and distribute the results of their evaluations; and prepare and submit an evaluation report on the vocational education programs, services, and activities carried out during the year. Section 104(b) of the Vocational Education Act requires each State to establish a State Advisory Council in order for the State to receive a grant under Title I of the Act. The Commissioner is authorized to pay each State advisory council an amount equal to one percent of the State's allotment, but not to exceed $150,000 nor be less than $50,000 to carry out its functions. The State advisory councils shall also perform functions with respect to occupational education.

Plans for fiscal year 1976

Funds for this activity will be requested under proposed legislation designed to simplify State administration of Federal assistance for vocational education by consolidating the various line items as they presently exist. Under the new consolidated legislative program, States and localities will have greater flexibility in the use of Federal funds and will be able to continue activities such as those previously budgeted for separately.

Accomplishments for fiscal years 1974 and 1975

In 1974 and 1975 the State Advisory Councils from all 56 States and territories submitted reports of evaluation efforts of State Vocational Education programs. The State Advisory Councils increased their participation in the development and administration of the State plans. Some Councils contracted for independent evaluation studies. Special emphasis was place on promoting the concept of career education and expanding vocational education to serve the needs of all persons in all communities.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Vocational research:				
(a) Innovation:				
New awards...............	$ 3,760,732	$ 3,760,732	$ ---	$ -3,760,732
Number................	100	100		
Non-competing continuations.........	12,239,268	12,239,268	---	-12,239,268
Number................	263	263		
Total...............	16,000,000	16,000,000	---	-16,000,000

Narrative

Program Purpose

To stimulate and demonstrate new ways to create a bridge between schools and earning a living for young people, Part D of the Vocational Education Act authorizes grants and contracts to the States, based on a formula prescribed in the Act. Programs must be directed to the job preparation needs of those who end their education at or before completion of the secondary level, or who are in post-secondary programs, and for exemplary and innovative programs or projects which are designed to broaden occupational aspirations and opportunities for youths, particularly disadvantaged youths, and to serve as models for use in vocational education programs. Fifty percent of each State's allotment is for use by the State Board for Vocational Education, and the remaining fifty percent is reserved by the U.S. Commissioner of Education for project grants or contracts within the State. The Act provides that funds reserved by the Commissioner shall remain available until expended and amounts available to State Boards shall be available for obligation for two fiscal years. No matching is required for this multi-year program.

Plans for fiscal year 1976

Funds for this activity will be requested under new legislation which will replace this authority. Emphasis will be placed on innovative projects reflecting a shift in Federal priorities from basic support to capacity building and focusing on activities to improve the efficiency and effectiveness of vocational education.

Accomplishments for fiscal years 1974 and 1975

The Federally-administered Part D funds in Fiscal Year 1974 were used to launch or continue a total of 65 projects that were designed to demonstrate improved systems for the occupational development, the preparation and placement of young people enrolled in kindergarten through Grade 14. Demonstration projects were operational in each of the 56 States and territories. The prior Part D experience and completed developmental work permitted these new and continuing projects to concentrate on problem areas such as the junior high and senior high exploration and preparation segments as well as on improved systems of occupational guidance, counseling and placement.

In fiscal year 1975, a total of 63 projects were supported of which 53 were continuation projects. Ten newly initiated Federally administered projects focused on the demonstration of cluster curriculums at the secondary level that were developed for the primary purpose of broadening and improving the occupational preparation options of young people. In addition, these projects are emphasizing the improvement of occupational guidance, counseling and placement services at the secondary level and the articulation of programs from kindergarten through grade 14.

The State-administered Part D funds served to reinforce the Federally-administered efforts in fiscal years 1974 and 1975. In fiscal year 1974, technical assistance was provided to the State Boards of Vocational Education to assist them in using their portion of the Part D funding to facilitate State-wide implementation of occupational development, preparation and placement programs. While statistical information is not yet verified, it can be estimated that they initiated or continued approximately 300 projects, half of which were focused on the improvement of occupational development and placement, and half of which were focused on the improvement of occupational preparation opportunities at the secondary and post-secondary levels.

In fiscal year 1975, the States again continued to use their portion of Part D funding to spread components of K-14 occupational development and preparation models to other school districts throughout each State, with appropriate revisions and modifications to meet varying local conditions and needs. If their prior responsiveness to Federal leadership prevails, it can be anticipated that increasing emphasis in fiscal year 1975 will be placed by the States on broadening and improving the secondary and post-secondary level preparation opportunities for young people.

Supplementary Data:

Fiscal Years 1974 and 1975

	FY 1974		FY 1975	
State Grants	No. Projects	Amount	No. Projects	Amount
New Starts	90	$2,400,000	90	$2,400,000
Continuation	210	5,600,000	210	5,600,000
Discretionary Grants				
New Start	5	854,800	10	1,360,732
Continuation	60	7,145,200	53	6,639,268

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Vocational research:				
(b) Curriculum Development:				
New awards..................	$1,000,000	$1,000,000	$ ---	$-1,000,000
Number..................	10	10		
Non-competing continuations...........	---	---	---	---
Total...............	1,000,000	1,000,000	---	-1,000,000

Narrative

Program Purpose

To provide for the development, testing, and dissemination of vocational education curriculum materials for use in teaching occupational subjects, including curricula for new and changing occupational fields, and vocational teacher education, Part I of the Vocational Education Act authorizes grants and contracts with colleges and universities, State boards, and other public or nonprofit private agencies and institutions for curriculum development in vocational and technical education. It further provides for: developing standards for curriculum development in all occupational fields; coordinating the efforts of the States with respect to curriculum development and management; surveying curriculum materials produced by other agencies; evaluating vocational-technical education curriculum materials; and training personnel in curriculum development. No matching funds are required.

Plans for fiscal year 1976

Funds for this activity will be requested under new legislation which will replace Part I authority. Emphasis will be placed on innovative projects reflecting a shift in Federal priorities from basic support to capacity building and focusing on activities to improve the efficiency and effectiveness of vocational education.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1974, 28 projects were funded in six major categories at a level of $5,920,670 including 1973 released funds. There were 18 new starts and 10 continuation projects.

The following major categories were addressed:

(1) Curriculum Coordination. Five curriculum coordination centers were funded for an additional year for a total of $200,000 thus maintaining the seven-center national network for coordination of State curriculum activities and information sharing services to reduce duplication of efforts. Two centers continued their operation under previous year funding.

(2) Occupational Clusters. The development, evaluation and testing of instructional materials for vocational education involved 10 new projects and three continuations in the amount of $3,183,330. New awards were made to the occupational clusters of marine science, hospitality and recreation, personal services, arts and humanities, consumer and homemaking, public service, and business and office

occupations. In addition two projects centered on a combination of clusters to meet the special needs of Indian youth and of Spanish-speaking migrants. The continuation awards were made in the agri-business and the health occupations clusters.

(3) Specialized Curriculum Development. Four projects were funded for specialized curriculum development and testing in the amount of $1,112,684. The three new awards were for the development of metric education materials, a model paralegal education curriculum, and a placement services guide and training. The continuation was for the final phase of a laser and electro-optical technology program.

(4) Curriculum Personnel. Two new awards totaling $886,228 were made to develop curricula for training vocational education curriculum specialists at the advanced level. These are to be demonstrated by a land grant institution and by a consortium of institutions with external degree plans.

(5) Bases for Curriculum Work. A total of $153,678 was awarded for three projects designed to provide the bases for curriculum work which may be needed in succeeding years. One project was a feasibility study on the home as a learning center for occupational and family life education. The others involved the status and progress of career education and related materials dissemination.

(6) Television Dissemination. One new project was funded for $384,750 for the development of occupationally focussed films using the characters from the Peanuts comic strip.

A total of ten projects were funded in fiscal year 1975 at the appropriation level of $1,000,000. These awards provided for the following projects:

(1) Reorganization of the national network for curriculum coordination so that six centers for coordination and information-sharing will begin a multi-year funding arrangement under a rotation plan.

(2) Development of a self-supporting system for identifying and diffusing appropriate DOD materials in secondary and post-secondary vocational education settings.

(3) Development and testing of criteria for determining emerging occupations and their implications for curriculum development at post-secondary level.

(4) Development of a training program in pilot and field testing for current project directors and monitors.

(5) Reproduction and dissemination of film prints and workbooks using products developed in fiscal year 1974 from the common core materials, Public Service cluster.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Vocational research:				
(c) Research:				
New awards..............	$12,000,000	$12,000,000	$ ---	$12,000,000
Number................	145	145		
Non-competing continuations.................	6,000,000	6,000,000	---	6,000,000
Number................	108	108		
Total............	18,000,000	18,000,000		18,000,000

Narrative

Program Purpose

To provide programs for research; training programs to familiarize personnel with research results and products; developmental, experimental, or pilot programs designed to meet the special vocational needs of youth; demonstration and dissemination; and to support the operation of the State research coordinating units, Part C of the Vocational Education Act of 1963, as amended, authorizes grants and and contracts to the States based on the formula prescribed in the Act. Fifty percent of the appropriation is allocated for use by the State boards for vocational education and the remaining fifty percent is reserved by the U. S. Commissioner of Education for direct Federal grants and contracts. Matching requirements call for 75 percent Federal and 25 percent State funding for the operation of the research coordinating units, and 90 percent Federal and 10 percent State and local funding for State-administered projects. No matching is required for funds reserved by the Commissioner, however, cost-sharing is required.

Plans for fiscal year 1976

Funds for this activity will be requested under new legislation which will replace the Part C authority. Emphasis will be placed on innovative projects reflecting a shift in Federal priorities from basic support to capacity building focusing on activities to improve the efficiency and effectiveness of vocational education.

Accomplishments for fiscal years 1974 and 1975

During fiscal year 1974, of the $9,000,000 made available, the States utilized approximately [illegible],500,000 for the maintenance and operation of their Research Coordinating Units. About $6,500,000 was used by the States to support field-initiated projects. There were about 130 such projects, including long-range, in-depth projects continued from 1973. The discretionary funds of $9,000,000 administered at the Federal level supported projects in five major areas. These areas included: (1) curriculum studies, (2) supplementary services for the handicapped, disadvantaged, and minority, (3) guidance, counseling, placement, and student follow-up services projects, and (5) manpower information and systems project for education. These projects are 18 month in duration and the result should be forthcoming towards the end of calendar year 1975.

In fiscal year 1975, the States will continue to use their allocations for the operation and maintenance of the State Research Coordinating Units and to support about 150 field-initiated projects. Those funds allocated for direct federal grants by the Commissioner of Education will be used to support about 103 projects in five major areas. The approximate distribution of these discretionary funds is planned as follows

(a) Curriculum, demonstration, and installation studies - Approximately 15 applications will be funded with $750,000 to support projects that produce information to undergird curriculum Project development, demonstration and installation efforts in vocational education.

(b) Personnel serving the disadvantaged, handicapped and minorities - Approximately twenty applications will be supported with $2,000,000 to produce and test materials for use in training vocational educational personnel in schools who work with disadvantaged, handicapped, and minority youth.

(c) Improvement of administration at theState level - Approximately 25 applications will be supported with $2,000,000 to improve management information systems for vocational education at the State level.

(d) Improvement of administration at the local level -Approximately 15 applications will be supported with $750,000 to improve the administration of vocational education at the local level.

(e) Comprehensive systems of guidance, counseling, placement, and follow-through services - Approximately, twenty applications will be supported with $2,000,000 to improve the delivery of guidance systems and services.

Eight additional projects will be supported with $1,500,000. One project which is in its fourth year of operation, produces a base-line of information about vocational education. Several projects are focused on minority leadership and minority business enterprise as related to vocational education, and another project disseminates research and development information and materials to vocational education practitioners.

SUPPLEMENTARY DATA:

	FY 1974		FY 1975	
	No. Projects	Amount	No. Projects	Amount
State grants				
New Awards.....	30	$4,500,000	50	$4,500,000
Continuations..	100	4,500,000	100	4,500,000
Total.....	130	9,000,000	150	9,000,000
Discretionary				
New Awards.....	82	7,897,000	95	7,500,000
Continuations..	3	1,103,000	8	1,500,000
Total.....	85	9,000,000	103	9,000,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Education Personnel				
(a) Teacher Corps:				
New Awards............	$15,500,000	$15,500,000	$20,800,000	$+5,300,000
Number..............	120	120	160	
Non-competing continuing awards...	22,000,000	22,000,000	16,700,000	-5,300,000
Number..............	260	260	227	
Total...........	37,500,000 380	37,500,000 380	37,500,000 387	---

Narrative

Program Purpose

To strengthen educational opportunities for children of low income families and to improve the quality of programs of teacher education, funds are requested under Part B of the Education Professions Development Act. The Education Amendments of 1974 (P.L. 93-380) broaden the scope of the program to include demonstration projects for retraining experienced teachers and teacher aides. New Teacher Corps 'sites', therefore, include experienced teachers, inexperienced teacher-interns, community volunteers and paraprofessionals. Grants and contracts are awarded to local education agencies and institutions of higher education. In the case of corrections 'sites', other institutions and agencies as determined by the Commissioner are eligible. There is a 10% matching requirement on corps members' salaries and benefits in the local education agency budgets.

Each 'site' in Teacher Corps involves two or more 'project' grant awards generated from one grant application which is funded for a total of two years. Funds granted for each fiscal year support new starts of a 15-month duration as well as continuations for 9 months of ongoing 'sites'. During the 15-month period, training is provided for preservice, the first school year and intervening summer phases. The 9-month period for continuation provides training for the second school year of the effort. The rationale for using this funding cycle is two-fold: (1) to provide for assessment of a 'site' 15-month performance prior to negotiating the last 9-month academic period and (2) to ensure continuity of the intervening summer activities support at the beginning of the new fiscal year.

Teacher Corps focuses on the staff needs and development in individual cooperating schools. Each 'site' has school, university and community-based components and the training and retraining efforts are integrated to support long-range local efforts in achieving the legislative mission of the program. The new focus on demonstrating the implementation of the five strategies: (1) training complexes; (2) competency-based teacher education: (3) training for implementing alternative school designs; (4) interdisciplinary training approaches; and (5) training for systematic adaptation of research findings.

Plans for fiscal year 1976

The $37,500,000 requested will support approximately 227 continuing projects contained in 106 'sites', and will provide for an additional 160 projects in [illegible] 'sites' incorporating various aspects of the new legislation in new and revised project formats;

- Projects will emphasize the demonstration of new strategies for the training of interns, experienced teachers, and teacher aides.

- The program will emphasize the integration of preservice and inservice training programs in a field based situation within the cooperating school. This will include training for the adaption and demonstration of products and processes either from prior exemplary Teacher Corps 'sites' (and developmental efforts), from the National Institute of Education, or from locally developed systematic solutions to personnel development problems of general interest. The unique purpose of this demonstration activity will be to help teachers use proven practices in the schools. With the increase in emphasis on 'demonstration' comes a diminishing of 'service' aspects and thus the overall number of projects in fiscal year 1976 will decrease slightly from fiscal year 1975, but the longer range impact of Teacher Corps should be strengthened.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1974, the Teacher Corps, through university, school and community collaboration, provided training for approximately 5,864 participants and experienced teacher team leaders serving in 367 projects located at 128 college and university 'sites'. These arrangements permitted on-site instruction to occur and provided a basis for the field testing of new ideas and concepts in teacher methodology; for identifying special pupil needs, diagnosing specific strengths and weaknesses and prescribing learning activities that enable corps members to more effectively work with children who have learning and behavioral problems in the regular classroom.

New and continuing efforts operating in 1975 included some 7,247 participants serving in 380 projects which were located in approximately 151 'sites'.

Supplemental Fact Sheet
Teacher Corps

1975	Participants	Project	Sites
New Awards	3,220	120	65
Continuations	4,027 1/	260 1/	86 1/
Total	7,247	380	151
1976			
New Awards	3,220	160	65
Continuations	5,720 2/	227 2/	106 2/
Total	8,940	387	171

1/ Of these numbers, 2,500 participants in 107 projects, 41 sites were funded from FY 1974; however, they are inservice and receiving additional support during FY 1975, due to the multi-year funding structure of Teacher Corps.

2/ Of these numbers, 3220 participants in 120 projects at 65 sites will be funded from FY 1975; however, they will be inservice and receiving additional support during FY 1976, due to the multi-year funding structure of Teacher Corps.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Education Personnel:				
(b) Other education personnel development:				
(1) Urban/rural school development Non-competing continuations....	$5,541,100	$5,541,100	$5,212,000	$-329,000
Number..........	31	31	31	---

Narrative

Program Purpose

To provide grants to school districts to demonstrate new ways to utilize comprehensive in-service personnel development as a means to improve educational services to a target population of students from low-income families, funds are requested under the Education Professions Development Act, Part D. Three types of awards are made: (1) grants to intensively retrain the entire staffs of a single school or a set of schools making up one feeder system; (2) grants for retraining of less intensive nature than (1) above but covering a larger number of schools within a district; (3) grants to establish staff development centers run by State education agencies in cooperation with local school districts and designed to provide centralized facilities for district-level inservice training. Each model emphasizes cooperation with local school/community councils in order to test the feasibility of stimulating greater citizen involvement in the educational process. Institutions of higher education also participate in each site. The program also includes special developmental assistance components designed to assist the demonstrations by providing specialized staff training materials, emphasizing performance-based methods. This multi-year funded program is designed to cover a five year period ending in fiscal year 1976.

Plans for fiscal year 1976

The funds requested for fiscal year 1976 will provide final Federal support to phase out the 31 projects involving 3,500 school staff and community members. During this time, an assessment will be made of the program's achievements over the five-year period, including the analysis started in fiscal year 1975 of the lessons learned from individual projects. The results of these efforts will be further disseminated to educational administrators, planners, teachers and others for their use. Technical guidance will continue to be provided so that an orderly transition to non-government funding can occur.

The reduction in funds for fiscal year 1976 reflects the completion of supporting developmental assistance projects whose objectives have been met.

Accomplishments for fiscal years 1974 and 1975

During fiscal year 1975 the urban/rural program will: (1) support 31 existing projects and programs reaching approximately 3,500 school staff and community members; (2) develop analyses of lessons learned from individual projects, based on materials now being tested for validity and usefulness, and transmit these to all State education agencies and a projected 500 school districts and institutions of higher education; and (3) develop further data on the effectiveness of total staff inservice training techniques as a strategy for school reform in areas such as special education. In on-going projects emphasis will be placed on institutionalizing the positive changes which the program has achieved, in order to assure permanent improvements after Federal funds are withdrawn.

Fiscal year 1974 funds supported 27 demonstration projects and four developmental assistance projects in the third year of their five-year cycle. Five of these are type I projects, twentyare type II, four are type III and two are special projects.

In addition to the general provision of evaluative and developmental aid to individual projects, the program accomplished the following by the end of fiscal year 1974:

1. Completion of a variety of developmental assistance projects designed to advance the State of the art in teacher education. These include:

   - Project TREND (targeting resources to the educational needs of the disadvantaged), which was designed to develop ways to coordinate inter-agency efforts to improve the education of low income children.

   - Task Force 1973 projects, designed to improve the state of the art in performance-based teacher education. As a result of this project and other support, performance-based methods have been disseminated throughout the educational system; further development of this increasingly important trend has largely been assumed by State and local agencies and institutions of higher education.

   - A leadership training institute to develop teacher education protocol and training materials -- media-based efforts to illustrate important elements of teaching.

   - A leadership training institute for project directors and school-community council members. Materials handbooks that will facilitate the training of school and community staffs in methods of cooperative and program development are in the process of dissemination.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Education personnel:				
(b) Other education personnel development:				
(2) Career opportunities program:				
Noncompeting continuations..	$1,784,000	$1,784,000	---	$-1,784,000

Narrative

Program Purpose

To demonstrate alternative career patterns within the educational system grants were authorized under the Educations Professions Development Act, Part D, as a five-year program ending in fiscal year 1975. The program emphasizes paraprofessional training methods along "career ladders" by which paraprofessionals can become fully certified educational personnel. Training has been targeted on Vietnam-era veterans and low-income and minority participants. The program has demonstrated ways to involve community people more fully in the educational process and has developed new modes of cooperation among State and local educational agencies and institutions of higher education.

Plans for fiscal year 1976

No funds are requested for this activity in fiscal year 1976 since the final year of this five-year effort was met in fiscal year 1975.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1975, the program provided funding for the fifth and final year for the last 14 projects. Except for these 14 projects the career opportunities program was terminated in fiscal year 1974. In addition:

1. more sophisticated data were gathered and analyzed on the impact of the career opportunities program, and these data were shared with the National Institute of Education in order to construct research and development priorities for future efforts in teacher education, and
2. on-going efforts to institutionalize the changes which began as a result of the career opportunities program were strengthened.

The packaging of results of case studies and data analysis for general dissemination throughout the educational system was completed.

During fiscal year 1974, most of the projects in this program completed their scheduled five-year period of operation. A total of 132 demonstration projects were supported, of which 118 were in their final year. These projects trained 7,438 participants during that period of which 5,547 were minority members. The total number of participants since the program began is 13,477.

SUPPLEMENTAL FACT SHEET

Career Opportunities Program

		Number of Participants
Total participants since program started (Including projections for 1975)		13,477
Veterans		1,866
Participants, 1972-1973		9,358
Participants, 1974-1975		7,488
Participants, 1975-1976 (estimated)		556
Black	250	
Chicano and Puerto Rican	90	
Indian	26	
Subtotal	366	
White	140	
Others	50	
(Above total includes veterans	25	

Available evidence indicates that the career opportunities program has had its greatest effect in changing institutional patterns of training and recruitment. In local education agencies which participated in the program, both acceptance of and demand for paraprofessionals has increased, while career opportunities program aides have been effective in increasing the linkages between school systems and the communities they serve. Both State educational agencies and institutions of higher education have changed their certification/training requirements in order to accommodate paraprofessionals.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Education personnel:				
(b) Other education personnel development:				
(3) Categorical programs:				
(a) Indian programs				
Competing continuations....	$406,950	$406,950	---	$-406,950

Narrative

Program Purpose

To train elementary and secondary school teachers for Indian children living on reservations, project grants are authorized by Part D of the Education Professions Development Act to institutions of higher education, Indian organizations and tribes, and Indian controlled schools. Preference in training is given to Indians.

Plans for fiscal year 1976

No funds are requested for this categorical program in fiscal year 1976. Financial assistance for persons who wish to become teachers of Indian children is available in the form of general student support under the higher education budget. Furthermore, support for training teachers of Indian children is available under the Indian education budget.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974, funds were used to support 29 projects in twenty States for a cost of $2,366,190. Since this program is forward funded, these projects operated in fiscal year 1975 (Academic year 1974-75). Of these 29 projects, 16 were continuations from the year before. In addition, another $99,000 was used to continue Indian educational administrator training programs at three universities. Three of the projects were used to support satellite programs at four to ten additional locations. The preponderance of the projects provided training for more than 1,000 teacher aides, most of whom are desirous of completing at least a baccalaureate degree and becoming certified teachers. Other projects provide retraining for current teachers, full-time undergraduate teacher training, and graduate training for teachers and guidance counselors. Grantees included 17 institutions of higher education, one local education agency; two Indian controlled schools; four tribes; four Indian organizations; and one Indian community college. A total of 1,500 Indians and 200 non-Indians participated in this program. In fiscal year 1975, funds will be used to continue 3-5 of these projects.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Education personnel:				
(b) Other education personnel development:				
(3) Categorical programs:				
(b) Bilingual programs				
Competing continuations..	$406,950	$406,950	---	$-406,950

Narrative

Program Purpose

To increase the number of qualified educational personnel serving or preparing to serve in bilingual education programs for children of limited English-speaking ability and to increase the number of educational institutions capable of training such personnel, project grants, authorized by Part D, section 531, of the Education Professions Development Act, are made to institutions of higher education, State and local educational agencies, or combinations of these agencies. Grants are made for the purpose of preparing teachers and other personnel to use languages for all or a portion of regular classroom subjects and school experiences. Training focuses on the use of the mother tongue of the target pupil and English as a second language.

Plans for fiscal year 1976

No funds are requested for this categorical training program in fiscal year 1976. Financial support for persons interested in a career in bilingual education will be available in the form of general student support. In addition, support for the training of bilingual teachers is authorized under Title VII of the Elementary and Secondary Education Act.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974, funds were utilized for the support of 21 bilingual education projects in 14 States with expenditures totaling $2,311,367. Grantees included three local education agencies, one State education agency, and 17 institutions of higher education. The 21 projects provided training for teachers and qualified educational personnel serving in schools with children who have limited English speaking ability. The range of grants was from $39,313 to $245,545. The projects supported programs by language, involving: 12 Spanish-speaking; 5 Indian; one Chinese; two Chinese and Japanese; and one Micronesian. There were 1,650 participants ranging from teachers in service to teacher aides, prospective teachers, and trainer of teachers. In fiscal year 1975, funds will be used to continue 3-5 of these projects.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Educational Personnel:				
(b) Other education personnel development:				
(4) Educational leadership				
New awards...............	$ ---	$ ---	$3,000,000	$+3,000,000

Narrative

Program Purpose

The principal, as the key to the climate and conduct of the school has, with increased decentralization of decision-making authority, community involvement and accountability demands, a need for more and improved management, planning and evaluation skills than previous education and experience have generally afforded. The new educational leadership program will provide elementary and secondary school principals improved management, planning and program evaluation skills. The program will give priority to principals from Title I, ESEA - eligible schools.

Through this program, participants will develop increased ability in such areas as management by objectives, systems analysis and planning, data processing and analysis and program development and management. By giving principals these management skills, the program is expected to yield significantly improved educational performance at the level of the individual school.

Plans for fiscal year 1976

There are several approaches to the general objective of giving principals improved management training. In order to determine the most effective mode for this training, in fiscal year 1976 the program will experiment with two significantly different strategies.

1. Creation of one or two Educational Leadership Centers. These Centers would offer semester-long and summer training to selected Principal-Fellows in an academic setting. In addition, Center staff would serve as consultants and would run on-site in-service workshops for other principals during the school year. The Fellows will participate in the in-service workshops. The Centers will emphasize formal, academic instruction drawing on the concepts and resources of several disciplines (e.g. management science, planning techniques, computer applications). Instruction would begin with a general introduction to management theory, progressing to application studies using simulations and case studies.

2. Support for training projects in selected local education agencies. These projects would offer part-time training to about 15-20 principals each. As far as possible this training will be carried out at actual school-site, in order to increase the realism of the curriculum. Released-time arrangements will be made with the local education agencies; participating principals will be expected to contribute a limited amount of their personal time. The LEA's from which the participants will be selected will commit themselves to the establishment of 3-5 staff development workshops per year through which other principals in the district will share in a less intensive way the insights and experiences of the primary training. Principals participating in the project will develop needs assessment documents covering their own and their schools' priority needs. These needs will be validated by parallel assessments by two other participating principals. From a synthesis of these assessments the management needs of the principal will be developed.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Education personnel:				
(b) Other education personnel development:				
(5) Vocational education				
New starts	$9,000,0000	---	--	---

Narrative

Program Purpose

To recruit and train individuals in the areas of career and vocational education, project grants were awarded under the Education Professions Development Act, Part F to State and local education agencies and institutions of higher education. There are two programs authorized by Part F. Section 552, Leadership Development Program, awards funds to universities whose approved programs have been selected by qualified individuals for developing their leadership potential. The funds are for an institutional allowance and the stipend/dependency allowance cost for indivisuals. Section 553, State Systems Program, pays the training costs to a State Board for Vocational Education for cooperation arrangements to meet the unmet personnel development needs of States in order to improve the quality and effectiveness of vocational programs.

Plans for fiscal year 1976

No funds are requested for this categorical training program in 1976. The program will be incorporated into the new legislation for vocational education which is proposed for later transmittal.

Accomplishments in fiscal years 1974 and 1975

The Education Professions Development Act appropriations are forward funded. As a result, the accomplishments listed here are based on fiscal year 1974 funding for school year 1974-75.

Twenty-eight institutions of higher education were approved in fiscal year 1974 to conduct comprehensive, graduate-level, vocational education leadership development programs beginning the September, 1974. Three hundred forty-seven eligible individuals were nominated by State Boards for Vocational Education. These individual awardees are participating in the twelve month programs conducted at twenty-eight institutions. The institutional programs do not terminate until August, 1975. The actual program at each of the institutions is indivudualized and designed to develop the leadership potential of each of the 347 awardees. Internships and other participatory learning experiences are primary components of most of these individualized plans.

With fiscal year 1974 funds, grants were issued by the Office of Education Regional Offices to 56 State Boards for Vocational Education to pay the costs of the training activities for over 300 cooperative arrangements. The average grant issued was $147,625 which ranged from the $35,000 granted to the Virgin Islands to $880,778 granted to California. Each of the cooperative arrangements submitted by a State Board was reviewed and approved in competition with the submissions of other States within a region. These grants terminate by August, 1975. Training activities vary from training administrators in fifteen States in systematic management of vocational education to the training of 30 health occupations teachers on the construction of competency based modules and to synthesize guidelines. It is estimated that over 52,000 vocational educational education personnel will have participated in the activities funded.

Because financial assistance for those who wish to pursue a career in vocational education is available in the form of general student aid, a rescission of the amount appropriated in fiscal year 1975 has been proposed.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Education personnel:				
(b) Other education personnel development:				
(6) Higher education Non-competing continuations......	$2,100,000	---	---	---
Total...........	2,100,000	---	---	---

Narrative

Program Purpose .

To train present or prospective college teachers at less than the doctoral level, and administrators and educational specialists through the doctoral level, the Higher Education Act of 1965, Part E, Title V authorized grants to and contracts with colleges and universities. Funds may be used to support institutes and short term training programs, and fellowships for full-time graduate study. Funds in support of institutes and short-term training programs cover the direct operating costs of the program, the indirect costs, and provide stipends for participants. Awards for fellowship programs provide stipends for graduate fellows and an institutional cost-of-education allowance for each student. Fellowships may not be used for graduate programs eligible for support under Title IX B, HEA, (formerly Title IV of the National Defense Education Act).

Plans for fiscal year 1976

Funds are again not being requested in fiscal year 1976 because of the general surplus of persons available to teach at the postsecondary level.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974, funds appropriated for fellowships permitted the support of 47 programs and 316 fellowships. Of the 316 fellowships 250 were new and 66 continuations. The new fellowships were for one year only. Due to the surplus of persons available to teach at the postsecondary level, a rescission of the amount appropriated in fiscal year 1975 has been proposed.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease	1977 Estimate
Adult Education....	$67,500,000	$63,319,000	$67,500,000	$+4,181,000	$67,500,000

Narrative

Program Purpose

To assist the States in eliminating functional illiteracy among the Nation's adults sixteen years of age and older, the Adult Education Act, as amended by the Education Amendments of 1974, authorizes grants to States. The main objective is to support programs which teach communication, computation, and social living skills to educationally disadvantaged adults to enable them to become employable, productive, and responsible citizens. The grants are made to States under a formula based on the number of adults within the State who lack high school equivalency and who are not enrolled in school. Federal funds support up to 90% of the cost of each State's program, while each State is required to pay not less than 10% of the total cost. Federal funds support 100% of the cost of adult education programs in the Trust Territory. State education agencies administer the program in accordance with State plan and local communities participate by submitting proposals to the State education agency.

This program is directed toward the more than 52,500,000 adults in this country, sixteen years of age and older who lack a twelth grade level of education and provides that up to 20 percent of the funds appropriated to each State may be made available for high school equivalency programs. At least 15 percent of each State's allotments must be used for special demonstration and teacher training activities formerly funded directly by the U.S. Commissioner of Education. The law further authorizes that up to another 20 percent of each State's allotment may be used for the education of adults in institutions. State advisory councils on adult education may be supported and special assistance is to be given to the needs of persons with limited English-speaking ability.

In fiscal year 1975, funds were appropriated for both fiscal year 1975 and fiscal year 1976 placing this program on an advance funded basis. Therefore, the fiscal year 1976 request will be for use in fiscal year 1977.

Plans for fiscal years 1976 and 1977

An amount of $67,500,000 was appropriated in fiscal year 1975 for use in fiscal year 1976 to fund school year 1975-76. The same amount is requested on an advance funded basis in fiscal year 1976 for use in school year 1976-77.

During each of these periods, approximately 1,000,000 adults with less than a high school level of education will participate in programs which will provide them with skills in speaking, reading, or writing the English language so that they can improve their ability to benefit from occupational training and increase their opportunities for more productive and profitable employment and be better able to meet their adult responsibilities.

To upgrade employability and life skills and reduce dependency of adults in their early productive years, the States are expected to provide adult education to about 80% of the total participants or 800,000 persons in the age group 18-44 who have less than a 12th grade education.

The States are expected to provide instructional programs for about 80,000 persons 55 years of age and older to equip them to deal successfully with the practical problems of everyday life, including making purchases, transportion, housing, and compliance with government requirements such as social security or public assistance. In addition special programs of instruction will be provided for an estimated 104,000 institutionalized adults to provide them employment and social living skills upon their release, and about 300,000 persons of limited English-speaking ability will receive bilingual education instruction coordinated with other Federally-funded bilingual education programs.

At least 15 percent of each State's allocation will be utilized for special demonstration projects and teacher training programs. In promoting effective adult programs, the special demonstration projects will involve the use of innovative methods, systems, materials, or programs of National significance or special value. These projects may be carried out in cooperation with other Federally assisted programs. The States are expected to provide training opportunities for about 5,000 persons engaged in or preparing to engage in adult education programs.

By the end of school year 1976-77, most States are expected to have operating State Advisory Councils on Adult Education which will advise the State agency and the administration of the program, long-range planning, studies, evaluations and other program activities. These councils will also submit annual reports with recommendations and other comments to the State agency and the National Advisory Council on Adult Education.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1975, with an amount of $63,319,000, approximately 959,000 adults, sixteen years of age and older were enrolled in adult education classes. About 767,000 of these persons were in the priority age group 18-44 with less than an eighth grade level of education. About 170,000 students completed the program with an eighth grade level of education. In addition, English as a second language was provided to 288,000 persons. Under the new set-aside, required by the Education Amendments of 1974, the States supported special demonstration projects and teacher training projects. The revised budget reflects a proposed rescission of $4,181,000.

In fiscal year 1974, with an amount available of $63,386,000, 959,000 adults were enrolled in adult education programs. Forty-seven special demonstration projects were supported at a cost of $6,562,000 and 18 teacher training projects supported 22,000 participants.

SUPPLEMENTAL FACT SHEET

Adult Education

	FY 1975 (School Year 74/75)	FY 1976 (School Year 75/76)	FY 1977 (School Year 76/77)
Total Participants	959,000	1,000,000	1,000,000
By Age Group			
16-24	343,993	358,700	358,700
25-34	263,245	274,500	274,500
35-44	171,278	178,600	178,600
45-54	100,120	104,400	104,400
55-64	52,457	54,700	54,700
65 and Over	27,907	29,100	29,100
By Sex			
Male	421,960	440,000	440,000
Female	537,040	560,000	560,000
Participants with limited English speaking ability	287,700	300,000	300,000
Institutionalized:	99,736	104,000	104,000
Correctional Institutions	80,556	84,000	84,000
Hospitals	19,180	20,000	20,000

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education
(a) Basic vocational education programs (VEA, Part B)

	1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
Annual.....	$420,978,000	$405,347,000	$504,000,000	$ 1/
Permanent..	7,161,455	7,161,455	7,161,455	7,161,455

1/Proposed for later transmittal.

Purpose: Authorizes grants to assist States in maintaining, extending, and improving existing vocational education programs and to develop new programs in vocational education.

Explanation: Matching grants are made to the States on a formula basis for vocational education programs, including the construction and remodeling of facilities. Forty percent of each State's allotment must be set-aside for specific purposes: (1) 15 percent for disadvantaged; (2) 10 percent for handicapped; and (3) 15 percent for postsecondary programs. State-wide matching is required on a dollar-for-dollar basis.

Accomplishments in 1975: An estimated 9,950,000 students are enrolled in basic vocational education programs in 1975.

Objectives for 1976: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education
(b) Programs for students with special needs (VEA, Section 102(b))

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Esimtate
$20,000,000	$20,000,000	$60,000,000	1/

1/ Proposed for later transmittal.

Purpose: Provides grant support for programs for persons who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education programs.

Explanation: Formula grants are made to the States based on population by age groups and per capita income. No matching is required.

Accomplishments in 1975: In fiscal year 1975, 201,000 disadvantaged students were provided special services to help them succeed in their career preparation. This is an increase of 17,000 over 1974.

Objectives for 1976: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education
(c) Consumer and homemaking education (VEA, Part F)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$35,994,000	$30,994,000	$50,000,000	1/

1/ Proposed for later transmittal.

Purpose: To meet the need of today's families, especially those in economically depressed areas, emphasis is placed on programs that aid these people in their relationship with the marketplace; programs dealing with concepts of credit; how to understand contracts, warranties, or guarantees; use of Federally donated foods or buying with foods stamps; the use of supermarkets, credit unions and banks.

Explanation: Formula grants are made to the States for programs in consumer and homemaking education. States must use at least one-third of the Federal funds allotted in economically depressed areas or areas with high rates of unemployment. Fifty percent matching is required except in economically depressed areas or areas whith high rates of unemployment where matching is 90 percent Federal - 10 percent matching.

Accomplishments in 1975: In fiscal year 1975, an estimated 3,675,000 youth and adults are enrolled in consumer and homemaking education programs. This is an increase of 240,000 enrollees over the 1974 level.

Objectives for 1976: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education programs
(d) Work-study (VEA, Part H)

		1976	
1975 Estimate	1975 Revised	Authorization	Budget Estimate
$9,849,000	$7,849,000	$55,000,000	1/

1/ Proposed for later transmittal

Purpose: Supports State projects that help young people ages 15-20 begin or continue vocational training by providing them with part-time employment to pay educational costs.

Explanation: Formula grants are made to the States for the development and administration of the program and for compensation of students by the local educational agency or other public agencies or institutions. Federal funds may be used to pay 80 percent of the States' expenditures.

Accomplishments in 1975: The 1975 revised estimate would result in preventing 39,000 economically disadvantaged vocational education students from dropping out of school.

Objectives for 1976: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education programs
(e) Cooperative education (VEA, Part G)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$19,500,000	$19,500,000	$75,000,000	1/

1/ Proposed for later transmittal.

Purpose: Supports cooperative education programs which combine work experience with formal education. Funds are used for supervisory and other costs of instruction. Local school districts arrange with private industry or public agencies for employment related to student vocational objectives; employers pay wages equal to the value of work produced.

Explanation: Formula grants are made to the States for financial assistance for personnel to coordinate cooperative programs; to provide instruction related to work experience; to reimburse employers for certain costs; and to pay costs for certain services to students. No Federal funds are paid directly to the students for their work. Compensation due them for their period of on-the-job training is paid by the employer. Federal funds may be used for all or part of a State's expenditure for programs authorized and approved under this part.

Accomplishments in 1975: The fiscal year 1975 enrollment for cooperative education was 196,000, an increase of 19,000 enrollees over 1974. About 80 percent of the funds were expended in areas designated by the States as having high rates of school dropouts and youth unemployment.

Objectives for 1976: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education programs
(f) State Advisory Councils (VEA, Section 104(b))

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$4,316,000	$4,316,000	Indefinite	1/

1/ Proposed for later transmittal

Purpose: To advise State Boards of Vocational Education on the administration of State plans; evaluate vocational education programs, services, and activities; and prepare and sumbit an evaluation report on the vocational education programs carried out during the year.

Explanation: Section 104(b) of the Vocational Education Act of 1963 requires each State to establish a State Advisory Council in order for the State to receive a grant under Title I of the Act. The State Councils must be established prior to the beginning of the fiscal year in which the State plans to participate in Federal vocational education programs.

Accomplishments in 1975: In fiscal year 1975, the State Advisory Councils from all 56 States and territories submitted reports of evaluation efforts of State vocational education programs.

Objectives for 1976: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Vocational Research
(a) Innovation (VEA, Part D)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$16,000,000	$16,000,000	$75,000,000	1/

1/ Proposed for later transmittal.

Purpose: To develop, establish, and operate exemplary and innovative occupational education programs or projects designed to serve as models for use in vocational education programs.

Explanation: Grants are allocated on a formula basis. Fifty percent of each State's allotment is for use by the State agency under its State plan and fifty percent is for direct grants by the Commissioner of Education. No matching is required.

Accomplishments in 1975: In fiscal year 1975, 63 projects were awarded under the Commissioner's discretionary funds. Of these, 53 were continuations of previously awarded projects and 10 new projects were awarded. A total of 300 projects were funded under the State administered authority, of which 210 were continuations and 90 were new projects.

Objectives for 1976: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Vocational research
(b) Curriculum development (VEA, Part I)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$1,000,000	$1,000,000	$10,000,000	1/

1/ Proposed for later transmittal.

Purpose: To develop curricula for new and changing occupations. Projects include printing and dissemination of guides, development of special curriculum and instructional materials for the handicapped and disadvantaged, development of supportive teacher and student materials, preparation of teaching aides for existing curricula and training teachers in effective uses of new curriculum materials.

Explanation: Project grants are made to colleges and universities, State boards, and other public and nonprofit private agencies, institutions and organizations for the development of program planning guides for the States and to support the development of models for the evaluation of vocational and technical education.

Accomplishments in 1975: In fiscal year 1975, 10 projects were funded for curriculum development activities, a decrease of 18 projects below 1974.

Objectives for 1975: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Vocational research
(c) Research (VEA, Part C)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$18,000,000	$18,000,000	$56,000,000	1/

1/ Proposed for later transmittal

Purpose: Supports activities of State research coordinating units and other agencies and institutions in the development of programs and projects designed to meet the research needs of vocational education.

Explanation: Grants are awarded on a formula basis under Part C of the Vocational Education Act of which fifty percent is for use by the State agency and fifty percent is for direct grants by the Commissioner of Education. Matching is 75 percent Federal and 25 percent State and local for the research coordinating units, and 90 percent Federal and 10 percent State and local for State projects. No matching is required for funds reserved by the Commissioner.

Accomplishments in 1975: In fiscal year 1975, 103 projects were supported under the Commissioner's funding authority, of which 8 were continuations and 95 were new projects. A total of 150 projects were funded under the State administered authority, of which 100 were continuations and 50 were new projects.

Objectives for 1976: In fiscal year 1976, this activity will be requested under a new vocational education legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education Personnel

(a) Teacher Corps (EPDA, Part B-1)

1975		1976	
Estimate	Revised	Authorization	Budget Estimate
$37,500,000	$37,500,000	1/	$37,500,000

1/ Amount of $450,000,000 is authorized for the Education Professions Development Act of which $37,500,000 or 25 percent, whichever is greater, is authorized for Teacher Corps based on a 1 year extension Authority under GEPA.

Purpose: (1) To improve educational opportunities for children of low income families, and (2) to improve the quality of programs of teacher education for both certified teachers and inexperienced teacher interns.

Explanation: The program brings together teams of experienced teachers and inexperienced teacher interns for the purpose of strengthening the educational opportunities of children residing in areas having concentrations of low income families. The program promotes the revision of training programs which will enable institutions of higher education to broaden their programs of teacher preparation, through a demonstration strategy for the training and retraining of educational personnel.

Accomplishments in 1975: In fiscal year 1975, approximately 380 institutions of higher education and local education agencies received federal support. Teacher Corps broadened its focus to include demonstration projects for retraining experienced teachers and teacher aides.

Objectives for 1976: The Teacher Corps request for FY 1976 is based in part on continuation costs for programs which began in FY 1974 and for new projects designed to emphasize the integration of preservice (teacher interns) and inservice (experienced teachers and Teacher-aides) training programs in a field-based situation within a total school or its equivalent. These programs will be built around a demonstration strategy that, if successful, can be replicated or transported to other school sites or shared with other districts throughout the nation.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education Personnel:
Other education personnel development:
(1) Urban/rural school development (EPDA, Part D)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$5,541,100	$5,541,100	1/	$5,212,000

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act based on a 1-year extension authority under GEPA.

Purpose: The urban/rural program is a forward-funded program designed to develop and demonstrate training alternatives that enable educational personnel to improve educational services for children from low-income families.

Explanation: The Commissioner is authorized to award grants or contracts to local educational agencies, State educational agencies, and institutions of higher education.

Accomplishments in 1975: In fiscal year 1975, 31 existing projects and programs are being funded for the fourth year of a five-year cycle of activities. Approximately 3,500 school staff and community members will be reached.

Objectives for 1976: Final support will continue for 31 demonstration projects and programs in 1976. The funds requested reflects the completion of supporting developmental assistance projects where objectives have been met.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education Personnel
(b) Other education personnel development
(2) Career opportunities (EPDA, Part D)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$1,784,000	$1,784,000	1/	---

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act based on a 1-year extension under GEPA.

Purpose: The Career Opportunities program was deisnged as a five-year demonstration program to develop teacher training alternatives for low-income and Vietnam-era participants to qualify them for a variety of educational careers from paraprofessionals to fully certified classroom teachers, administrators and/or teacher trainers.

Explanation: The Commissioner is authorized to make grants to or contracts with local educational agencies, State educational agencies, and institutions of higher education.

Accomplishments in 1975: Support will be given up to 15 sites to complete the 5-year demonstration of training for about 1,400 participants in this final year of support.

Objectives for 1976: No funds are requested for this program in 1976, since the final year of support as been met.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education personnel
(b) Other education personnel development (EPDA, Part D)
(3) Categorical programs:
a. Teachers for Indian children

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$406,950	$406,950	1/	---

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act based on a 1-year extension authority under GEPA.

Purpose: The purpose of this activity is to prepare persons to serve as teachers of children living on reservations serviced by elementary and secondary schools for Indian children operated or supported by the Department of the Interior, including public and private schools operated by Indian tribes and by nonprofit institutions and organizations of Indain tribes.

Explanation: Grants may be made to institutions of higher education and other public and private nonprofit agencies and organizations for the purpose cited above.

Accomplishments in fiscal year 1975: In fiscal year 1975, funds will be used to support 3 to 5 ongoing projects.

Objectives for fiscal year 1976: No funds are requested for this categorical program in fiscal year 1976. Financial assistance for persons who desire to enter into this field is available from other sources.

OFFICE OF EDUCATION

Educational Development

Program Purpose and Accomplishments

Activity: Education Personnel
(b) Other education personnel development
(EPDA, Part D)
(3) Categorical programs:
b. Bilingual educational personnel training

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$406,950	$406,950	1/	---

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act based on 1-year extension authority under GEPA.

Purpose: This activity is for the training of teachers for service in programs for children with limited English speaking ability.

Explanation: Grants may be made to institutions of higher education, local education agencies, and state education agencies to improve the qualifications of persons who are serving or preparing to serve in elementary or secondary schools, or to supervise or train persons so serving.

Accomplishments in fiscal year 1975: In fiscal year 1975, funds will be used to support 3 to 5 ongoing projects.

Objectives for fiscal year 1976: No funds are requested for this categorical program in fiscal year 1976. Financial assistance for persons who desire to enter into this field is available from other sources.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Educational personnel
(b) Other education personnel development
(4) Educational leadership (EPDA, Part D)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$ ---	$ ---	1/	$3,000,000

1/ Amount of $450,000,000 is authorized for the Education Professions Development Act based on a 1-year extension authority under GEPA.

Purpose: To train and retrain elementary school principals to enable them better to improve the effectiveness of the teaching-learning process in their schools. The curricular emphasis of the program will result in experiences designed to improve the management and planning capabilities of the targeted principals, thus sharpening their perceptions of their management options as educational leaders and strengthening their confidence and ability to exercise them.

Explanation: Grants may be made to institutions of higher education, local educational agencies, and State educational agencies.

Accomplishments in 1975: This program was not funded in fiscal year 1975.

Objectives for 1976: In fiscal year 1976, one or two training institutes will be established and part-time, on-site training projects will be supported engaging approximately 400 participants.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education Personnel:
(b) Other education personnel development:
(5) Vocational education (EPDA, Part F)

1975	1975	1976	1976
Estimate	Revised	Authorization	Budget Estimate
$9,000,000	$ ---	1/	$ ---

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act based on 1-year extension authority under GEPA.

Purpose: This activity provides support to assist State and local education agencies and institutions of higher education in strengthening their efforts in recruiting and training individuals for the broad aspects of career and vocational education.

Explanation: Grants are made to institutions of higher education that offer graduate study in a comprehensive program of vocational education that is approved by the State boards for vocational education, for cooperative arrangement training activities with schools, private business or industry, or other educational institutions.

Accomplishments in 1975: Funds appropriated for this purpose have been proposed for rescission in fiscal year 1975 since financial support is available in the form of general student aid.

Objectives for 1976: No funds are requested for this categorical training program in fiscal year 1976. This activity will be part of the new vocational education consolidated legislative program which will be submitted to Congress at a later date.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education personnel:
(b) Other education personnel development:
(6) Higher education development (EPDA, Part E)

1975	1975	1976	
Estimate	Revised	Authorization	Budget Estimate
$2,100,000	$ ---	1/	$ ---

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act based on 1-year extension authority under GEPA.

Purpose: Funds are provided to support institutes and short-term training programs for the purpose of training present or prospective college teacher at less than the Ph.D. level and administrators and educational specialists through the doctoral level.

Explanation: Grants and contracts are made with colleges and universities to cover the direct and indirect costs of operating the programs and provide stipends for participants.

Accomplishments in 1975: Funds appropriated for this purpose in fiscal year 1975 have been proposed for rescission because of the general surplus of persons available to teach at the postsecondary level.

Objectives for 1976: No funds are requested to support fellowships, institutes and short-term training programs in fiscal year 1976. Financial support will be available in the form of general student support under the higher education budget.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Adult education

1975 Estimate	1975 Revised	1976 Estimate	1977 Authorization	 Budget Estimate
$67,500,000	$63,319,000	$67,500,000	$210,000,000	$67,500,000

Purpose: The Adult Education Act authorizes grants to States for the purpose of eliminating functional illiteracy among the Nation's adults sixteen years of age and older to enable them to become employable, productive and responsible citizens. The law requires that not less than 20 percent of the funds appropriated be made available for high school equivalency programs. The institutionalized adult population is to be served and special assistance is to be given to the needs of persons with limited English-speaking ability.

Explanation: Grants are made to the States according to the formula specified in the Act. Not less than 50 percent of each State's allotment shall be used for special demonstration projects and teacher training.

Accomplishments in 1975: Basic skills programs were provided to 959,000 undereducated adults, the same number of participants as in 1974. In addition, the States supported special demonstration projects and teacher training projects.

Objectives for 1976 and 1977: For fiscal year 1976, the States will continue to provide basic skills programs to 1,000,000 undereducated adults, an increase of 41,000 participants over fiscal year 1975. In fiscal year 1977, the same number of adults will be enrolled as in fiscal year 1976. Each year, fifteen percent of the States allocations will be used on special projects and teacher training.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Basic Vocational Education Programs

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$412,508,455 1/	$428,139,455 2/	$412,508,455 2/	$ --- 3/
Alabama	8,462,395	8,746,564	8,427,234	---
Alaska	553,162	629,705	606,715	---
Arizona	4,015,940	4,496,399	4,332,239	---
Arkansas	4,499,122	4,758,699	4,584,963	---
California	34,922,859	36,673,016	35,334,117	---
Colorado	4,865,496	5,321,879	5,127,583	---
Connecticut	4,616,707	4,769,591	4,595,458	---
Delaware	970,051	1,007,019	970,254	---
Florida	13,568,396	14,969,380	14,422,861	---
Georgia	10,856,873	9,357,166	9,015,544	---
Hawaii	1,435,166	1,579,705	1,522,032	---
Idaho	1,783,328	1,891,678	1,822,613	---
Illinois	18,227,429	18,882,101	18,192,732	---
Indiana	10,665,305	11,183,662	10,775,355	---
Iowa	5,859,433	6,009,048	5,789,663	---
Kansas	4,575,798	4,761,021	4,587,200	---
Kentucky	7,927,385	8,132,244	7,835,343	---
Louisiana	9,158,353	9,473,883	9,128,000	---
Maine	2,312,948	2,453,257	2,363,691	---
Maryland	7,206,062	7,595,977	7,318,654	---
Massachusetts	10,032,230	10,511,722	10,127,948	---
Michigan	16,891,829	17,574,543	16,932,911	---
Minnesota	7,891,817	8,266,562	7,964,757	---
Mississippi	5,563,298	5,862,677	5,648,636	---
Missouri	9,586,984	9,826,744	9,467,978	---
Montana	1,627,264	1,713,268	1,650,718	---
Nebraska	3,071,651	3,219,583	3,102,038	---
Nevada	798,977	922,107	888,441	---
New Hampshire	1,558,184	1,638,941	1,579,106	---
New Jersey	11,314,376	11,488,885	11,069,437	---
New Mexico	2,619,802	2,851,436	2,747,333	---
New York	27,186,917	28,243,323	27,212,184	---
North Carolina	12,792,009	13,068,178	12,591,070	---
North Dakota	1,556,006	1,611,090	1,552,270	---
Ohio	20,921,022	21,641,437	20,851,326	---
Oklahoma	5,925,792	6,157,062	5,932,274	---
Oregon	4,486,204	4,707,210	4,535,353	---
Pennsylvania	22,762,566	23,239,958	22,391,487	---
Rhode Island	1,913,720	1,957,447	1,885,982	---
South Carolina	6,857,791	7,120,749	6,860,776	---

State or Outlying Area	1974 Actual[1]	1975 Estimate[2]	1975 Revised[2]	1976 Estimate[3]
South Dakota	1,651,573	1,728,672	1,665,560	---
Tennessee	9,541,343	9,874,609	9,514,096	---
Texas	25,472,710	26,983,336	25,998,198	---
Utah	2,840,131	2,998,753	2,889,271	---
Vermont	1,023,256	1,110,254	1,069,719	---
Virginia	10,439,095	10,809,961	10,415,300	---
Washington	6,827,023	6,998,402	6,742,896	---
West Virginia	4,185,719	4,256,193	4,100,802	---
Wisconsin	9,384,839	9,715,161	9,360,469	---
Wyoming	734,611	774,158	745,895	---
District of Columbia	1,197,578	1,185,610	1,142,324	---
American Samoa	66,865	67,074	64,626	---
Guam	213,214	214,351	206,525	---
Puerto Rico	6,723,560	6,747,369	6,501,029	---
Trust Territory	218,778	219,466	211,453	---
Virgin Islands	140,508	141,170	136,016	---

[1] Distribution based on FY 1974 State products of (1) FY 1974 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum amount of $10,000 on the total amount for Parts B and C. Population age groups are as of 7/1/71 for the 50 States and D.C., and as o of 4/1/70 for the outlying areas.

[2] Estimated distribution based on FY 1975 State products of (1) FY 1975 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum amount of $10,000 on the total amount for Parts B and C. Population age groups are as of 7/1/73 for the 50 States and D.C., and as of 4/1/70 for the outlying areas. Subject to change based on revised State products.

[3] This program is proposed for later transmittal under the new vocational education legislative program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Programs for Students with Special Needs

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 3/
TOTAL	$20,000,000	$20,000,000	$20,000,000	$ ---
Alabama	410,085	408,375	408,375	---
Alaska	26,806	29,401	29,401	---
Arizona	194,611	209,936	209,936	---
Arkansas	218,026	222,182	222,182	---
California	1,692,691	1,712,253	1,712,253	---
Colorado	235,781	248,477	248,477	---
Connecticut	223,724	222,692	222,692	---
Delaware	47,009	47,018	47,018	---
Florida	657,521	698,915	698,915	---
Georgia	526,122	436,883	436,883	---
Hawaii	69,547	73,755	73,755	---
Idaho	86,419	88,323	88,323	---
Illinois	883,296	881,599	881,599	---
Indiana	516,838	522,164	522,164	---
Iowa	283,947	280,562	280,562	---
Kansas	221,742	222,292	222,292	---
Kentucky	384,160	379,692	379,692	---
Louisiana	443,811	442,333	442,333	---
Maine	112,085	114,541	114,541	---
Maryland	349,204	354,653	354,653	---
Massachusetts	486,159	490,789	490,789	---
Michigan	818,574	820,552	820,552	---
Minnesota	382,436	385,964	385,964	---
Mississippi	269,597	273,726	273,726	---
Missouri	464,583	458,808	458,808	---
Montana	78,857	79,992	79,992	---
Nebraska	148,852	150,322	150,322	---
Nevada	38,719	43,053	43,053	---
New Hampshire	75,509	76,522	76,522	---
New Jersey	548,292	536,412	536,412	---
New Mexico	126,955	133,133	133,133	---
New York	1,317,471	1,318,674	1,318,674	---
North Carolina	619,897	610,151	610,151	---
North Dakota	75,403	75,221	75,221	---
Ohio	1,013,827	1,010,432	1,010,432	---
Oklahoma	287,162	287,471	287,471	---
Oregon	217,400	219,779	219,779	---
Pennsylvania	1,103,066	1,085,067	1,085,067	---
Rhode Island	92,739	91,393	91,393	---
South Carolina	332,327	332,466	332,466	---

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 **Revised** 2/	1976 Estimate 3/
South Dakota	80,034	80,712	80,712	---
Tennessee	462,371	461,043	461,043	---
Texas	1,234,400	1,259,846	1,259,846	---
Utah	137,631	140,010	140,010	---
Vermont	49,587	51,838	51,838	---
Virginia	505,875	504,714	504,714	---
Washington	330,835	326,753	326,753	---
West Virginia	202,839	198,721	198,721	---
Wisconsin	454,787	453,598	453,598	---
Wyoming	35,598	36,146	36,146	---
District of Columbia	58,035	55,357	55,357	---
American Samoa	10,000	10,000	10,000	---
Guam	10,333	10,008	10,008	---
Puerto Rico	325,823	**315,033**	315,033	---
Trust Territory	10,602	10,248	10,248	---
Virgin Islands	10,000	10,000	10,000	---

1/ Distribution based on FY 1974 estimated State products of (1) FY 1974 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum of $10,000. Population age groups are as of 7/1/71 for the 50 States and D.C., and 4/1/70 for the outlying areas.

2/ Estimated distribution of funds under provisions of section 103(a) (2) (b), P.L. 90-576, based on FY 1975 State products of (1) FY 1975 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum of $10,000. The population age groups are as of 7/1/73 for the 50 States and D.C., and 4/1/70 for the outlying areas. Subject to change based on revised State products.

3/ This program is proposed for later transmittal under a new vocational education legislative program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education
Consumer and homemaking education

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 3/
TOTAL	$30,994,000	$35,994,000	$30,994,000	$ ---
Alabama	635,724	735,242	633,079	---
Alaska	41,555	52,934	45,578	---
Arizona	301,691	377,970	325,451	---
Arkansas	337,990	400,019	344,436	---
California	2,624,047	3,082,754	2,654,403	---
Colorado	365,513	447,360	385,199	---
Connecticut	346,822	400,934	345,225	---
Delaware	72,873	84,651	72,888	---
Florida	1,019,303	1,258,334	1,083,488	---
Georgia	815,605	786,569	677,274	---
Hawaii	107,815	132,791	114,340	---
Idaho	133,970	159,016	136,920	---
Illinois	1,369,306	1,587,239	1,366,692	---
Indiana	801,213	940,106	809,477	---
Iowa	440,180	505,124	434,937	---
Kansas	343,750	400,215	344,605	---
Kentucky	595,531	683,601	588,613	---
Louisiana	688,006	796,380	685,722	---
Maine	173,757	206,222	177,569	---
Maryland	541,344	638,522	549,800	---
Massachusetts	753,655	883,621	760,842	---
Michigan	1,268,972	1,477,325	1,272,050	---
Minnesota	597,860	694,891	598,337	---
Mississippi	417,934	492,819	424,342	---
Missouri	720,206	826,041	711,262	---
Montana	122,245	144,018	124,006	---
Nebraska	230,752	270,639	233,034	---
Nevada	60,022	77,513	66,743	---
New Hampshire	117,056	137,770	118,627	---
New Jersey	849,974	965,762	831,569	---
New Mexico	196,808	239,692	206,387	---
New York	2,042,372	2,374,149	2,044,259	---
North Carolina	960,979	1,098,519	945,878	---
North Dakota	116,893	135,430	116,612	---
Ohio	1,571,659	1,819,191	1,566,413	---
Oklahoma	445,165	517,565	445,650	---
Oregon	337,019	395,690	340,709	---
Pennsylvania	1,710,001	1,953,563	1,682,115	---
Rhode Island	143,765	164,545	141,681	---
South Carolina	515,181	598,573	515,402	---

	1974 Actual[1]	1975 Estimate[2]	1975 Revised[2]	1976 Estimate[3]
South Dakota	$ 124,072	$ 145,313	$ 125,120	$ ---
Tennessee	716,778	830,065	714,726	---
Texas	1,913,595	2,258,234	1,953,061	---
Utah	213,360	252,076	217,050	---
Vermont	76,870	93,329	80,360	---
Virginia	784,220	908,691	782,429	---
Washington	512,870	588,290	506,547	---
West Virginia	314,444	357,778	308,064	---
Wisconsin	705,021	816,662	703,186	---
Wyoming	55,186	65,077	56,034	---
District of Columbia	89,966	99,663	85,814	---
American Samoa	10,000	10,000	10,000	---
Guam	16,017	18,019	15,515	---
Puerto Rico	505,097	567,187	488,378	---
Trust Territories	10,556	18,450	15,885	---
Virgin Islands	16,435	11,867	10,217	---

[1] Distribution based on FY 1974 estimated State products of (1) FY 1974 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum of $10,000. Population age groups are as of 7/1/71 for the 50 States and D.C., and 4/1/70 for outlying areas.

[2] Estimated distribution based on FY 1975 State products of (1) FY 1975 allotment ratios with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum of $10,000. Population age groups are as of 7/1/73 for the 50 States and D.C., and 4/1/70 for outlying areas. Subject to change based on revised State products.

[3] This activity is proposed for later transmittal under the new vocational education legislative program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education
Work-Study

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$7,849,000[1]	$9,849,000[2]	$7,849,000[2]	$ ---[3]
Alabama	136,999	169,409	135,008	---
Alaska	12,636	18,293	14,578	---
Arizona	71,825	98,225	78,279	---
Arkansas	72,157	91,067	72,575	---
California	748,504	946,065	753,952	---
Colorado	90,778	122,881	97,928	---
Connecticut	107,404	136,004	108,387	---
Delaware	21,281	27,837	22,184	---
Florida	238,085	324,502	258,607	---
Georgia	180,891	229,458	182,863	---
Hawaii	31,589	43,346	34,544	---
Idaho	30,259	38,972	31,058	---
Illinois	405,343	503,455	401,220	---
Indiana	200,510	250,535	199,659	---
Iowa	108,402	131,630	104,900	---
Kansas	87,786	108,963	86,836	---
Kentucky	128,021	155,888	124,233	---
Louisiana	150,965	185,714	148,002	---
Maine	37,575	47,721	38,030	---
Maryland	148,304	191,281	152,438	---
Massachusetts	209,488	263,260	209,801	---
Michigan	352,139	441,816	352,098	---
Minnesota	150,300	187,702	149,586	---
Mississippi	93,106	115,723	92,224	---
Missouri	173,243	216,732	172,721	---
Montana	28,264	35,791	28,523	---
Nebraska	57,859	71,979	57,362	---
Nevada	17,291	24,258	19,332	---
New Hampshire	27,267	34,598	27,572	---
New Jersey	250,056	312,572	249,099	---
New Mexico	43,228	57,265	45,636	---
New York	626,469	769,897	613,557	---
North Carolina	209,156	256,500	204,413	---
North Dakota	26,269	32,609	25,987	---
Ohio	406,008	506,637	403,756	---
Oklahoma	97,429	122,484	97,611	---
Oregon	81,468	102,998	82,082	---
Pennsylvania	428,619	526,918	419,919	---
Rhode Island	35,580	44,142	35,178	---
South Carolina	113,390	138,788	110,605	---

State or Outyling Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 3/
South Dakota	$ 27,932	$ 34,598	$ 27,572	$ ---
Tennessee	150,965	185,714	148,002	---
Texas	446,243	567,083	451,928	---
Utah	48,216	62,435	49,756	---
Vermont	17,624	22,270	17,768	---
Virginia	184,217	235,821	187,933	---
Washington	133,008	161,853	128,986	---
West Virginia	66,837	79,932	63,701	---
Wisconsin	173,243	216,732	172,721	---
Wyoming	13,301	17,498	13,945	---
District of Columbia	26,934	32,212	25,671	---
American Samoa	1,203	1,441	1,149	---
Guam	3,426	4,097	3,265	---
Puerto Rico	113,858	136,166	108,516	---
Trust Territory	2,115	4,704	3,749	---
Virgin Islands	3,933	2,529	2,015	---

1/ Distribution based on the 15-20 population age group as of 7/1/71 for the 50 States and D.C., and 4/1/70 for the outlying areas.

2/ Estimated distribution on the basis of the 15-20 population age group as of 7/1/73 for the 50 States and D.C., and 4/1/70 for the outlying areas.

3/ This activity is proposed for later transmittal under the new vocational education legislative program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education
Cooperative Education

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$19,500,000 1/	$19,500,000 2/	$19,500,000 2/	$ --- 3/
Alabama	355,934	354,029	354,029	---
Alaska	213,772	215,743	215,743	---
Arizona	280,855	288,929	288,929	---
Arkansas	282,188	282,972	282,972	---
California	1,036,981	1,038,653	1,038,653	---
Colorado	301,291	308,501	308,501	---
Connecticut	322,171	322,968	322,968	---
Delaware	223,990	224,679	224,679	---
Florida	469,220	493,166	493,166	---
Georgia	403,470	405,089	405,089	---
Hawaii	234,652	237,018	237,018	---
Idaho	234,652	235,316	235,316	---
Illinois	658,474	654,004	654,004	---
Indiana	427,460	425,087	425,087	---
Iowa	323,059	319,564	319,564	---
Kansas	298,625	297,013	297,013	---
Kentucky	343,051	340,414	340,414	---
Louisiana	370,151	368,496	368,496	---
Maine	242,649	243,401	243,401	---
Maryland	367,485	371,475	371,475	---
Massachusetts	434,568	435,299	435,299	---
Michigan	600,720	599,115	599,115	---
Minnesota	371,039	368,922	368,922	---
Mississippi	305,289	305,523	305,523	---
Missouri	395,473	395,728	395,728	---
Montana	232,431	232,763	232,763	---
Nebraska	265,306	264,675	264,675	---
Nevada	219,547	221,700	221,700	---
New Hampshire	230,210	231,487	231,487	---
New Jersey	485,213	484,231	484,231	---
New Mexico	249,757	251,910	251,910	---
New York	906,813	893,132	893,132	---
North Carolina	432,347	427,640	427,640	---
North Dakota	229,765	229,359	229,359	---
Ohio	662,027	657,408	657,408	---
Oklahoma	310,176	310,203	310,203	---
Oregon	293,294	292,333	292,333	---
Pennsylvania	688,239	676,555	676,555	---
Rhode Island	239,095	239,146	239,146	---
South Carolina	325,281	323,819	323,819	---

State or Outlying Area	1974 Actual[1]	1975 Estimate [2]	1975 Revised [2]	1976 Estimate[3]
South Dakota	$ 231,987	$ 231,487	$ 231,487	$ ---
Tennessee	369,708	368,071	368,071	---
Texas	701,566	706,340	706,340	---
Utah	254,644	255,314	255,314	---
Vermont	219,992	219,998	219,998	---
Virginia	404,358	408,918	408,918	---
Washington	349,271	344,668	344,668	---
West Virginia	275,968	273,185	273,185	---
Wisconsin	396,362	395,728	395,728	---
Wyoming	215,549	215,743	215,743	---
District of Columbia	228,877	228,083	228,083	---
American Samoa	(	(	(	
Guam	(	(	(	
Puerto Rico	(585,000	(585,000	(585,000	---
Trust Territory	(	(	(	
Virgin Islands	(	(	(	

[1] Distribution with 3 percent ($585,000) reserved for the outlying areas and the balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the basis of the 15-19 population, July 1, 1971.

[2] Estimated distribution based on 3 percent reserved for the outlying areas and the balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the 15-19 population age group as of 7/1/73.

[3] This activity is proposed for later transmittal under the new vocational education legislative program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education Innovation

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$16,464,853[1]	$16,000,000[2]	$16,000,000[2]	--- [3]
Alabama	295,189	294,026	294,026	---
Alaska	208,407	209,610	201,610	---
Arizona	249,356	254,286	254,286	---
Arkansas	248,303	250,649	250,649	---
California	688,537	711,948	711,948	---
Colorado	261,832	266,234	266,234	---
Connecticut	410,935	275,065	275,065	---
Delaware	214,247	215,065	215,065	---
Florida	578,551	378,961	378,961	---
Georgia	324,207	325,195	325,195	---
Hawaii	222,571	222,597	222,597	---
Idaho	221,153	221,558	221,558	---
Illinois	479,872	477,143	477,143	---
Indiana	338,851	337,403	337,403	---
Iowa	275,121	272,987	272,987	---
Kansas	260,205	259,221	259,221	---
Kentucky	287,324	285,714	285,714	---
Louisiana	303,867	302,857	302,857	---
Maine	226,035	226,494	226,494	---
Maryland	302,240	304,675	304,675	---
Massachusetts	337,961	343,636	343,636	---
Michigan	444,616	443,636	443,636	---
Minnesota	307,999	303,117	303,117	---
Mississippi	264,273	264,416	264,416	---
Missouri	319,325	319,481	319,481	---
Montana	219,797	220,000	220,000	---
Nebraska	239,865	239,481	239,481	---
Nevada	212,270	213,247	213,247	---
New Hampshire	218,441	219,221	219,221	---
New Jersey	385,795	373,506	373,506	---
New Mexico	230,373	231,688	231,688	---
New York	645,685	623,117	623,117	---
North Carolina	400,917	338,961	338,961	---
North Dakota	218,170	217,922	217,922	---
Ohio	482,041	479,221	479,221	---
Oklahoma	267,256	267,273	267,273	---
Oregon	257,221	256,364	256,364	---
Pennsylvania	498,041	490,909	490,909	---
Rhode Island	223,865	223,896	223,896	---
South Carolina	276,477	275,584	275,584	---

State or Outlying Area	1974 Actual[1]	1975 Estimate [2]	1975 Revised[2]	1976 Estimate[3]
South Dakota	$ 219,526	$ 219,221	$ 219,221	$ ---
Tennessee	303,596	302,597	302,597	---
Texas	505,827	509,091	509,091	---
Utah	233,357	233,766	233,766	---
Vermont	212,204	212,208	212,208	---
Virginia	324,749	327,532	327,532	---
Washington	291,121	288,312	288,312	---
West Virginia	246,374	244,675	244,675	---
Wisconsin	319,867	319,481	319,481	---
Wyoming	209,492	209,610	209,610	---
District of Columbia	217,628	217,143	217,143	---
American Samoa	4,877	4,665	4,665	---
Guam	12,893	12,159	12,159	---
Puerto Rico	497,043	440,086	440,086	---
Trust Territory	15,126	15,126	15,126	---
Virgin Islands	3,982	7,964	7,964	---

[1] Distribution of total amount with 3% reserved for the outlying areas; balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the 15-19 population, 7/1/71. Fifty percent of the funds are allotted to the States and fifty percent at the discretion of the Commissioner.

[2] Estimated distribution of the total with 3% reserved for the outlying areas; balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the 15-19 population, 7/1/73. Fifty percent of the funds are alloted to the States and fifty percent at the discretion of the Commissioner.

[3] This activity is proposed for later transmittal under the new vocational education legislative program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Research

State or Outlying Area	19[illegible] Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$ 17,870,988[1]	$18,000,000 [2]	$18,000,000 [2]	--- [3]
Alabama	339,529	367,726	367,726	$ ---
Alaska	22,193	26,474	26,474	---
Arizona	584,805	189,039	189,039	---
Arkansas	180,513	200,067	200,067	---
California	1,387,035	1,541,821	1,541,821	---
Colorado	195,154	223,744	223,744	---
Connecticut	183,231	200,525	200,525	---
Delaware	38,916	42,337	42,337	---
Florida	544,391	629,348	629,348	---
Georgia	366,600	393,397	393,397	---
Hawaii	57,414	66,415	66,415	---
Idaho	71,550	79,531	79,531	---
Illinois	731,321	793,849	793,849	---
Indiana	427,914	470,188	470,188	---
Iowa	235,092	252,635	252,635	---
Kansas	183,579	200,165	200,165	---
Kentucky	318,062	341,899	341,899	---
Louisiana	367,452	398,304	398,304	---
Maine	92,800	103,141	103,141	---
Maryland	289,122	319,353	319,353	---
Massachusetts	402,348	441,938	441,938	---
Michigan	676,623	738,876	738,876	---
Minnesota	316,636	347,546	347,546	---
Mississippi	229,511	246,481	246,481	---
Missouri	349,432	413,139	413,139	---
Montana	65,290	72,030	72,030	---
Nebraska	122,241	135,359	135,359	---
Nevada	32,057	38,768	38,768	---
New Hampshire	62,517	68,905	68,905	---
New Jersey	453,555	483,020	483,020	---
New Mexico	105,111	119,881	119,881	---
New York	1,081,794	1,187,416	1,187,416	---
North Carolina	692,381	549,417	549,417	---
North Dakota	62,430	67,734	67,734	---
Ohio	954,121	909,857	909,857	---
Oklahoma	237,826	258,857	258,857	---
Oregon	179,996	197,902	197,902	---
Pennsylvania	913,030	977,063	977,063	---
Rhode Island	76,459	82,296	82,296	---
South Carolina	275,148	299,373	299,373	---

State or Outlying Area	1974 Actual 1/	1975 Estimate 2/	1975 Revised 2/	1976 Estimate 3/
South Dakota	$ 66,264	$ 72,677	$ 72,677	$ ---
Tennessee	382,818	415,152	415,152	---
Texas	1,071,755	1,134,444	1,134,444	---
Utah	113,951	126,075	126,075	---
Vermont	41,055	46,678	46,678	---
Virginia	416,201	454,476	454,476	---
Washington	273,896	294,230	294,230	---
West Virginia	167,940	178,941	178,941	---
Wisconsin	362,640	408,448	408,448	---
Wyoming	29,474	32,547	32,547	---
District of Columbia	598,699	49,846	49,846	---
American Samoa	1,459	2,820	2,820	---
Guam	4,652	9,012	9,012	
Puerto Rico	269,763	283,676	283,676	---
Trust Territory	8,778	9,227	9,227	---
Virgin Islands	3,066	5,935	5,935	---

1/ Distribution based on FY 1974 estimated State products. Fifty percent of the funds are for use by the States and fifty percent at the discretion of the Commissioner of Education.

2/ Estimated distribution based on estimated FY 1975 State products. Fifty percent of the funds are for use by the State and fifty percent reserved by the Commissioner of Education. Subject to change based on revised State products.

3/ This program is proposed for later transmittal under the new vocational education legislative program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Adult Education - Grants to States

State or Outlying Area	1974 Actual[1]	1975 Estimate[2]	1975 Revised [3]	1976 Estimate [2]	1976 Adv. for 1977 [2]
TOTAL	$53,286,000	$67,500,000	$63,319,000	$67,500,000	$67,500,000
Alabama	1,353,494	1,344,029	1,263,376	1,344,029	1,344,029
Alaska	177,747	190,545	179,139	190,545	190,545
Arizona	449,546	518,744	487,692	518,744	518,744
Arkansas	785,866	827,612	778,071	827,612	827,612
California	3,415,416	4,517,430	4,247,017	4,517,430	4,517,430
Colorado	479,804	601,541	565,533	601,541	601,541
Connecticut	704,366	951,493	894,537	951,493	951,493
Delaware	239,449	274,483	258,052	274,483	274,483
Florida	1,361,101	1,786,037	1,679,125	1,786,037	1,786,037
Georgia	1,713,940	1,570,391	1,476,388	1,570,391	1,570,391
Hawaii	272,771	312,647	293,937	312,647	312,647
Idaho	260,259	320,090	300,929	320,090	320,090
Illinois	2,342,597	3,529,037	3,317,789	3,529,037	3,529,037
Indiana	1,134,189	1,626,206	1,528,862	1,626,206	1,626,206
Iowa	646,525	951,736	894,765	951,736	951,736
Kansas	528,113	763,952	718,222	763,952	763,952
Kentucky	1,168,538	1,325,422	1,246,087	1,325,422	1,325,422
Louisiana	1,599,712	1,439,291	1,353,135	1,439,291	1,439,291
Maine	328,729	447,145	420,379	447,145	447,145
Maryland	908,974	1,159,714	1,090,294	1,159,714	1,159,714
Massachusetts	1,146,761	1,706,542	1,604,389	1,706,542	1,706,542
Michigan	1,849,308	2,625,728	2,468,552	2,625,728	2,625,728
Minnesota	793,887	1,153,991	1,084,913	1,153,991	1,153,991
Mississippi	1,054,146	948,731	891,940	948,731	948,731
Missouri	1,139,299	1,674,712	1,574,464	1,674,712	[illegible]674,712
Montana	257,988	325,781	306,280	325,781	325,781
Nebraska	392,945	542,844	510,342	542,844	542,844
Nevada	211,517	212,470	199,752	212,470	212,470
New Hampshire	268,997	330,025	310,270	330,025	330,025
New Jersey	1,588,290	2,209,212	2,076,969	2,209,212	2,209,212
New Mexico	344,103	402,261	378,182	402,261	402,261
New York	3,851,674	5,925,791	5,571,074	5,925,791	5,925,791
North Carolina	1,898,912	1,780,990	1,674,380	1,780,990	1,780,990
North Dakota	237,945	334,999	314,946	334,999	334,999
Ohio	2,216,061	3,248,160	3,053,726	3,248,160	3,248,160
Oklahoma	663,854	910,306	855,815	910,306	910,306
Oregon	502,645	650,442	611,507	650,442	650,442
Pennsylvania	2,634,898	4,105,003	3,859,278	4,105,003	4,105,003
Rhode Island	348,269	451,990	424,934	451,990	451,990
South Carolina	1,190,918	1,071,826	1,007,667	1,071,826	1,071,826

	1974 Actual1/	1975 Estimate2/	1975 Revised3/	1976 Estimate3/	1976 Adv. for 1977 2/
South Dakota	264,081	344,287	323,678	344,287	344,287
Tennessee	1,403,582	1,491,557	1,402,273	1,491,557	1,491,557
Texas	3,205,110	3,281,437	3,085,010	3,281,437	3,281,437
Utah	282,545	338,150	317,908	338,150	338,150
Vermont	215,763	257,409	242,001	257,409	257,409
Virginia	1,436,435	1,489,781	1,400,603	1,489,781	1,489,781
Washington	684,134	916,988	862,097	916,988	916,988
West Virginia	613,710	835,680	785,656	835,680	835,680
Wisconsin	954,079	1,381,265	1,298,583	1,381,265	1,381,265
Wyoming	190,514	222,750	209,416	222,750	222,750
District of Columbia	285,764	374,932	352,489	374,932	374,932
American Samoa	42,629	79,863	50,655	79,863	79,863
Guam	74,601	139,762	88,647	139,762	139,762
Puerto Rico	820,604	1,037,200	975,113	1,037,200	1,037,200
Trust Territory	85,257	159,727	101,310	159,727	159,727
Virgin Islands	42,629	79,863	50,655	79,863	79,863

1/ Distribution based on 2 percent reserved for outlying areas and the balance distributed with a basic amount of $150,000 and the remainder distributed on the basis of those 16 year of age and over without a certificate of graduation from high school with no State receiving less than it's FY 1972 allotment. Population data as of 4/1/70.

2/ Estimated distribution of funds based on 90 percent of FY 1973 grant amount

3/ Estimated distribution prorated from 90 percent of the FY 1973 grants amount.

OFFICE OF EDUCATION

Occupational, Vocational, Adult Education

Estimate for July 1 - September 30, 1976 period

Amounts Available for Obligation

	1976 Estimate	Estimate July 1 - Sept. 30, 1976
Appropriation:		
Annual....................................	$113,212,000	$ 17,000,000
Permanent.................................	7,161,455	---
Total obligations..................	120,373,455	17,000,000

Estimate for July 1 - September 30, 1976 period

Obligations by Activity

Activity	1976 Estimate	Estimate July 1 - Sept. 30, 1976
Grants to States for vocational education.........................	$ 7,161,455	$ ---
Adult education....................	67,500,000	---
Education personnel:		
(a) Teacher corps................	37,500,000	17,000,000
(b) Other education personnel development................	8,212,000	---
Total.......................	120,373,455	17,000,000

Obligations by Object

	1976 Estimate	Estimate July 1 - Sept. 30, 1976
Grants, subsidies and contributions (Total obligations by object)........	$120,373,455	$17,000,000

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Grants to States for vocational education programs.......................	$7,161,455	---

Narrative

The budget for vocational education programs will be requested under proposed legislation for fiscal year 1976 and will be submitted to Congress later in the year. At that time a request for the interim period will be submitted. The permanent appropriation of $7,161,455 will be combined with and used for the purposes of grants to States under the new legislation.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Education personnel:		
(a) Teacher corps.......................	$37,500,000	$17,000,000

Narrative

An estimate of $17,000,000 is requested to fund this activity for the period July 1, 1976 - September 30, 1976. This represents about 45 percent of the proposed funding in the 1976 budget estimates. Interns and regular teachers are trained in Teacher Corps programs over a two year period. Each fiscal year the appropriated funds pay for continuations of existing projects to complete a two year cycle and new starts for projects beginning a two year cycle. Costs for continuations are approximately the same as for new starts. For scheduling and programmatic reasons Teacher Corps funds projects in these two year cycles with two grant periods, the first for 15 months and the second for 9 months. By July 1, 1976, grant awards will have been issued for the new starts out of FY 1976 appropriations. The continuation projects will be within their first 15 month grant period that ends on September 30, 1976 during the interim period. It will be essential that the second 9 month grant period be negotiated with the grant awards being issued before September 30, 1976. It is estimated that the costs of these continuation projects will be approximately $17 million. These funds will go to pay for training 220 inexperienced teacher interns and regular teacher retraining for approximately 3,000 participants; and for the programs they are undertaking in 55 institutions of higher education and 65 local education agencies. This totals 120 separate grant awards. Each project has school, university and community-based components and the training and retraining efforts are directly related to support long-range local efforts in achieving the legislative mission of Teacher Corps which is incresing educational opportunities for children from low income families and broadening the programs of teacher training and retraining for the instructional personnel committed to working in the schools serving these children.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Education personnel:		
(b) Other education personnel development	$8,212,000	---

Narrative

Educational personnel development programs are forward funded; that is, amounts obligated in one fiscal year fund projects during the following fiscal year. The 1976 appropriation would be obligated in the second half of the year to fund projects during the interim period. Therefore, no appropriation is required for the interim budget for forward funded programs.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
Adult education	$67,500,000	---

Narrative

Adult education is an advance funded program. The entire 1976 advance appropriation, which will cover the grant period, July 1, 1976 to June 30, 1977, will be made available to the States during the interim period. The appropriation to cover the next grant period, July 1, 1977 to June 30 1978, will be requested in the regular fiscal year 1977 budget and no new appropriation action will be required during the interim period.

THURSDAY, MARCH 13, 1975.

HIGHER EDUCATION

WITNESSES

S. W. HERRELL, ACTING DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION

DR. TERRELL H. BELL, COMMISSIONER OF EDUCATION

EDWARD T. YORK, DEPUTY COMMISSIONER FOR MANAGEMENT

KENNETH A. KOHL, ASSOCIATE COMMISSIONER, OFFICE OF GUARANTEED STUDENT LOANS

DR. ROBERT C. LEESTMA, ASSOCIATE COMMISSIONER FOR INSTITUTIONAL DEVELOPMENT AND INTERNATIONAL EDUCATION

DR. JOHN PHILLIPS, ASSOCIATE COMMISSIONER FOR STUDENT ASSISTANCE

PETER K. U. VOIGT, DIRECTOR, DIVISION OF BASIC AND STATE STUDENT GRANTS

DR. LEONARD H. O. SPEARMAN, DIRECTOR, DIVISION OF STUDENT SUPPORT AND SPECIAL PROGRAMS

CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

WITNESS INTRODUCTION

Mr. FLOOD. The committee will come to order.

We are still with the Office of Education. Now we have Higher Education. The presentation will be made by S. W. Herrell, Acting Deputy Commissioner for Postsecondary Education. We have a biographical sketch of you, Mr. Herrell, which we will place in the record at this point.

Name: S. W. Herrell.

Position: Acting Deputy Commissioner, Bureau of Postsecondary Education, DHEW, U.S. Office of Education.

Birthplace and date: Cape Girardeau, Mo., January 23, 1915.

Education: B. S. in education, major in mathematics, Southeast Missouri State College, graduate work, University of Missouri, Cornell University (naval officers program); Honorary doctor of laws degree, Bethune-Cookman College, March 16, 1971; Honorary degree of doctor of humanities, St. Leo College, April 30, 1972.

EXPERIENCE

Present: Acting Deputy Commissioner for Postsecondary Education.

May 12-August 1, 1974: Associate Deputy Commissioner, Bureau of Postsecondary Education.

1971-74: Acting Associate Commissioner, Bureau of Higher Education: Acting Deputy Associate Commissioner, Bureau of Higher Education.

January 1970-February 1971: Executive Officer, Bureau of Higher Education.

September 1968-January 1970: Acting Deputy Associate Commissioner, Bureau of Higher Education.

1964-68: Executive Officer, Bureau of Higher Education, Office of Education.

1962-64: Executive Officer, Bureau of International Education, Office of Education.

1958-62: Executive Officer, Division of School Assistance in Federally Affected Areas, Office of Education.

1952-58: Program Operations Supervisor, Division of School Assistance in Federally Affected Areas, Office of Education.

March 10-December 21, 1952: Reassignment as Assistant Program Operations Adviser, Division of Civilian Education Requirements, Office of Education.

1951–52: Associate Civilian Education Requirements Officer, Division of Civilian Education Requirements, Office of Education.

March 11–October 25, 1951: Chief, Registration and Research Section, Veterans' Administration, Washington, D.C.

June 27, 1946–March 11, 1951: Supervisor, Registration Unit, Veterans' Administrarion, St. Louis, Mo.

January 4–June 27, 1946: Registration Officer, Veterans' Administration, St. Louis, Mo.

1952–46: U.S. Navy, Lieutenant (JG).

1939–42: Superintendent of Public Schools, Bloomsdale, Mo.

1937–39: Principal of Bloomsdale High School, Bloomsdale, Mo.

Awards: DHEW, U.S. Office of Education: Superior Service Award, May 23, 1968: Sustained Superior Service Award, September 1967; Quality Increase, Office of Education, February 1964; Quality Increase, Office of Education, February 1970; DHEW, Education Division, Certificate of Recognition, 1973; DHEW, Distinguished Service Award, Apirl 11, 1974.

I see Dr. Bell is here and Mr. Miller. Are there others you want us to know?

Mr. HERRELL. Yes, Mr. Chairman, I would like to introduce Dr. John Phillips, Associate Commissioner for Student Assistance, Dr. Robert Leestma, whom you have met, Dr. Leonard T. Spearman, Director, Division of Student Support and Special Services, and Mr. Peter Voigt, Director, Division of Basic Grants and State Student Grants.

Of course you know Mrs. Beebe and Mr. York.

Mr. FLOOD. I see you have a prepared statement. How do you want to handle this?

Mr. HERRELL. Mr. Chairman, I have a summary statement which I would be pleased to read. I have a much more detailed statement which I would like to submit for the record.

Mr. FLOOD. Suppose you do.

OPENING STATEMENT

Mr. HERRELL. Mr. Chairman and members of the committee, I am pleased to appear before you today to present our fiscal year 1976 appropriation request of $2,005,541,000 for higher education. This amount represents a decrease of $137,530,000 below the comparable 1975 appropriation adjusted for the President's rescission requests for a number of programs and a supplemental appropriation request for the guaranteed student loan program.

The principal goal of the Office of Education remains the equalization of educational opportunity for all our people. The effort to achieve that goal is supported by the proposed concentration of funds in four student financial aid programs best suited to this purpose: Basic educational opportunity grants, guaranteed loans, work-study and incentive grants for State scholarships. We are requesting $1,804,960,000 for these four programs, about 90 percent of our total budget request under this account. Under the Student Loan Insurance Fund we are requesting an additional $201,787,000. More than 2 million students will be aided by these programs, better than 20 percent of all postsecondary students in this country.

In order to encourage disadvantaged students to take advantage of educational opportunities and to help them overcome obstacles to academic achievement, we are continuing our support for the special programs for the disadvantaged with a request for $70,331,000. These programs offer a full range of pre- and post-enrollment supportive services for low-income students.

Finally, we are requesting $110,000,000 for strengthening developing institutions, our third major area of support. This program provides funds to help improve the quality of education at institutions which have traditionally served low-income and minority students.

We believe that the concentration of resources in the four student financial aid programs along with support for the special programs for the disadvantaged and for the developing institutions constitutes an effective strategy for increasing educational opportunity for all those individuals who seek a post-secondary education.

This concludes my summary presentation of the budget request for higher education programs.

We will be pleased to respond to your questions, Mr. Chairman.

[The prepared statement follows:]

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OVERVIEW

The principal goal of the Office of Education remains the equalization of educational opportunity for all our people. The effort to achieve that goal is supported by the concentration of funds in four student financial aid programs best suited to this purpose: Basic educational opportunity grants, guaranteed loans, work-study and incentive grants for State scholarships. We are requesting $1,804,960,000 for these four programs, about 90 percent of our total budget request in this account. An additional $201,787,000 is being requested under the student loan insurance fund. More than 2 million students will be aided by these programs, better than 20 percent of all post-secondary students in this country.

In order to encourage disadvantaged students to take advantage of educational opportunities and to assist them to overcome obstacles to academic achievement, we are continuing our support for the special programs for the disadvantaged with a request for $70,331,000. These programs offer a full range of pre- and post-enrollment supportive services for low income students. Finally, we are requesting $110 million for strengthening developing institutions, our third major area of support. This program provides funds to help improve the quality of education at institutions which have traditionally served low-income and minority students.

We believe that the concentration of resources in the four student financial aid programs along with support for the special programs for the disadvantaged and for the developing institutions constitutes an effective strategy for increasing educational opportunity for all those individuals who seek a post-secondary education.

Now I would like to present more detail on our specific proposals.

STUDENT ASSISTANCE

Our student financial aid effort is based on a carefully conceived packaging of financial support beginning with a contribution by students and their families in accordance with their ability to pay, followed by a basic grant which may cover up to one-half the cost of attendance, less family contributions. The basic grant can then be supplemented by a guaranteed loan, work-study assistance, or a State student incentive grant, as may be required to meet that part of the student's need not covered by the family contribution and basic grant. In addition to these Federal sources of student aid, further support can be obtained from State and private sources as well as from self-help efforts on the part of the student.

BASIC EDUCATIONAL OPPORTUNITY GRANTS

We are requesting $1,050 million to fully fund the basic grants program for the first time. The amount requested will provide grants ranging from $200 to $1,400 for an estimated 1,323,000 students, with the average grant amounting to $785. Full funding will provide support to all eligible students, both full-time and part-time, at all four undergraduate levels as originally authorized and will also provide full entitlement to all undergraduates who are carrying at least half of a normal full-time load.

As has been true in prior years, a part of the appropriaton is needed for administrative contracts. We are again asking that $11,500,000 be set aside for this purpose. These funds will be used principally for processing applications and disbursements of funds. In addition, contracts will be let for data collection and processing and for training student financial aid officers. The authority to expend the full amount would not be used unless required for the effective administration of the program. Any unneeded amount would be available for program grants.

We are requesting language that will permit us to carry over into academic year 1977-78 any funds which are appropriated in 1976 for use in academic year 1976-77 but which may not be needed to meet the 1976-77 payment schedule. We are also requesting language to permit us to use fiscal year 1976 funds to cover any shortfall in the awards which were made from the fiscal year 1975 appropriation.

Awards to students will be made on the basis of the best available estimates and we anticipate that we will always have either a surplus or deficit after awards are made. The payment schedule required by law depends upon estimates of the universe of need, the percentage of eligible students who participate, the family contributions, and the cost of attendance. Actual data will not be available until all applications are in and all the awards made. While we except these estimates to improve as we gain experience, they will never be perfect.

A deficit could be handled through a request for a supplemental appropriation. However, this approach could result in considerable delays in providing students with the full amount of their awards which would cause unnecessary confusion and anxiety on the part of students and school administrators. A surplus of funds would cause even more serious problems for both the Federal Government and the schools. Such a surplus of funds would require the Office of Education to increase each student's award in an amount proportional to the amount available since current law requires that funds be used for the particular academic year for which they were appropriated. The procedure to allocate such surplus is cumbersome and expensive because of the need to first assess the exact amount of the surplus and then to locate all the recipients. Checks probably could not be mailed until well into the academic year following the year in which the initial basic grant was made. In many cases, this procedure would result in students being overfunded in other awards and thus requiring student financial aid officers to adjust these other awards downward at a point in time well after completion of the academic year for which the awards were made. With authority to carry any surplus into the next academic year the expense and confusion of this administrative procedure will be avoided.

COLLEGE BASED PROGRAMS

Present legislation requires that no payments may be made for basic grants until the older, campus-based programs receive base level funding, specifically, $130 million for supplemental grants, $286 million for NDEA student loan capital and $236 million for work-study. To permit a concentration of student aid funds in the basic grant, work-study, State student incentive grants, and guaranteed loan programs, which we believe comprise the most effective combination for equalizing educational opportunity at the post-secondary level, we are requesting your approval of special appropriation language that would waive the requirement to first fund supplemental grants and direct loans. Accordingly, while we are requesting full funding for the basic grant program, increased support for the guaranteed loan program and State student incentive grants, and more than the stipulated base level for the college work-study program, we are not requesting funds for the supplemental grant program or for new capital contributions to the direct loan program.

For work-study, we are requesting $250 million, the same as we requested in 1975, but $50,200,000 less than the 1975 appropriation. This amount, together with matching funds, will enable 520,000 students to earn an average of $580 during academic year 1976–77.

No funds are being requested for either the supplemental educational opportunity grants program or for new Federal capital for the national direct student loan program. We believe that the supplemental grant program largely duplicates the basic grants program while the direct loan program duplicates the guaranteed loan program. Those two programs do not facilitate a student's freedom of choice as do the basic grant and guaranteed loan programs nor do they provide the valuable vocational experience or beneficial services to school and community which are provided by the work-study program. In regard to the direct loan program, it should be pointed out that the end of Federal funding does not mean the end of the program. The revolving loan funds now in existence at participating institutions are expected to total $2.8 billion by fiscal year 1976 and repayments into these loan funds are expected to enable institutions to make loans totaling $164 million to 328,000 students.

For all of these reasons, we have decided it would be wiser to concentrate scarce Federal resources on the basic grant and guaranteed loan programs and not request any funds for supplemental grants or direct loans.

GUARANTEED STUDENT LOANS

A major component of student financial aid is the guaranteed student aid program, for which we are requesting $452 million in this account and $201,787,000 in the student loan insurance fund, for a total of $653,787,000. Those students whose adjusted family income is $15,000 or less will also have the interest paid for them while they are in school. In fiscal year 1976, we expect this program to provide over 1 million loans amounting to approximately $1,650 million. By the end of fiscal year 1976, it is estimated that more than $10 billion in loans will have been guaranteed since the inception of this program. The $452 million we are requesting under this account, for guaranteed loans, pays interest subsidies and special allowance costs on both new and prior year loans. The amount of the request is based in part on the assumption that the current maximum special allowance rate of 3 percent will be required through fiscal year 1976 to maintain adequate lending levels during a period of continuing high interest rates. Death and disability claims also are paid from this account. We shall subsequently appear before you to discuss our requests for this program which appear under the student loan insurance fund and in the salaries and expenses appropriation.

INCENTIVE GRANTS FOR STATE SCHOLARSHIPS

In order to build on the accomplishments of the past 2 years and to further encourage State participation in the student financial aid effort, we are asking for an appropriation of $44 million for State student incentive grants. This amount is more than double the fiscal year 1975 appropriation of $20 million. The requested appropriation is expected to provide 109,200 new awards and 66,800 continuation awards. Since the States must match Federal funds dollar for dollar, the $44 million requested will actually support a program level of $88 million. We believe that this program can play an important role in strengthening the Federal-State partnership in expanding equal educational opportunity.

SPECIAL PROGRAMS FOR THE DISADVANTAGED

In addition to lack of money, the disadvantaged are also often hampered by inadequate elementary and secondary education, lack of career counseling and a lack of self-confidence which inhibits them from seeking a postsecondary education. For these reasons, we are requesting $70,331,000 for special programs for the disadvantaged which help students overcome the problems just enumerated. This funding level will support 879 projects and 302,657 students.

INSTITUTIONAL ASSISTANCE

We are requesting $128 million for aid to institutions of higher education, a decrease of $7,150,000 belowthe revised fiscal year 1975 budget.

DEVELOPING INSTITUTIONS

Another aspect of our goal of equal educational opportunity for all, is developing institutions. These institutions provide access to higher education for many disadvantaged and minority students. The developing institutions program comprises two parts, the basic institutional development component and the advanced institutional development component. The budget request contains $52 million for the basic program. Approximately 165 institutions will receive grants averaging $315,000 for the purpose of gradually strengthening their academic and management capabilities. Although the funding level is remaining constant, the number of grants is decreasing as more institutions qualify for the advanced program and a greater effort is made to speed development through larger average grants. For the advanced program, we are requesting $58 million, the same as the 1975 level. This amount will support grants averaging $2 million to about 21 institutions. Under this program, substantial assistance is provided through 3–5 year grants to the stronger developing institutions in support of carefully structured projects designed to accelerate their transition to fully developed status.

FOREIGN LANGUAGE AND AREA STUDIES

Our budget request includes $10 million for support of the foreign language training and area studies programs authorized under title VI of the National Defense Education Act (NDEA) and the Fulbright-Hays Act, the same as the amount we requested for 1975. For NDEA title VI, we are requesting $8,640,000 to support 50 language centers, 31 exemplary projects, 600 graduate fellowships and 16 research projects. We are seeking $1,360,000 in Fulbright-Hays funds to support 90 doctoral dissertation fellowships, 24 faculty research fellowships and 5 group training projects.

COOPERATIVE EDUCATION

For cooperative education, we are requesting $8 million, $2,750,000 less than the 1975 appropriation. We consider cooperative education to be a vital part of postsecondary education and we are pleased that we have been able to assist in the rapid expansion of cooperative education which has occurred during the last several years. There are now about 800 colleges and universities (29 percent of the total) with cooperative education programs. However, we believe that cooperative education has now developed such strength and momentum that it can continue its growth and development with reduced Federal support. Even at the $8 million level, furthermore, we will increase the number of new awards for program development from 64 to 100 because of the fact that in 1975, 200 institutions will have reached the statutory limit of 3 years' participation in the program thus freeing money for more new awards in 1976. The total number of awards to be supported in 1976 will be 230, all for program planning, initiation and development, compared with 350 in 1975 including 23 for research and training.

OTHER INSTITUTIONAL ASSISTANCE AND PERSONNEL DEVELOPMENT

No funds are being requested for university community services, aid to land grant colleges, veterans' cost of instruction, State postsecondary commissions or ethnic heritage studies. Those programs served useful purposes, but the need for them has greatly diminished and the time has come to redirect their resources to other, higher priority programs.

Our request for personnel development is $2,250,000, a reduction of $3 million below the revised 1975 appropriation. The 1976 budget request continues the phaseout of the college teacher fellowships begun in 1972. As has been the case during the past couple of years, we are requesting only enough to allow veterans to resume fellowships interrupted by military service. We are also seeking continued funding for the Ellender fellowships and the Council on Legal Educational Opportunity, popularly known as CLEO.

In summary, Mr. Chairman, I would like to say that we believe that the funding strategy I have just outlined will permit us to make significant progress toward the goal of equal educational opportunity for all while responsibly doing our part to hold down the rise in Federal spending.

This concludes my presentation of the budget request for higher education programs.

We will be pleased to respond to your questions, Mr. Chairman.

HIGHER EDUCATION ENROLLMENT

Mr. Flood. What is the total enrollment for higher education at the present time?

Mr. Herrell. The latest figure that I have, Mr. Chairman, indicates the total enrollment is 10,231,878 students.

Mr. Flood. What was it 5 years ago?

Mr. Herrell. I don't have the figures for 5 years ago. I have it for 1964. At that time it was 5,320,294.

Mr. Flood. Insert the figures for 5 years ago for the record, will you?

Mr. Herrell. Yes, sir.

[The information follows:]

ENROLLMENTS IN INSTITUTIONS OF HIGHER EDUCATION BY CONTROL OF INSTITUTION

Year	Enrollment by control of institution		Total
	Public	Private	
1969	5, 414, 934	2, 069, 139	7, 484, 073
1970	5, 800, 089	2, 120, 060	7, 920, 149
1971	6, 013, 934	2, 102, 169	8, 116, 103
1972	6, 157, 868	2, 107, 189	8, 265, 057
1973	6, 256, 000	2, 114, 000	8, 370, 000

Note: Enrollments do not include nondegree credit students—includes full time and part time. Estimates for 1964 and 1974 given in testimony included degree and nondegree students.

Mr. Flood. Do you estimate a leveling off of this enrollment in the next 5 years?

Mr. Herrell. Yes, the recent report of the Commission Financing of Postsecondary Education which included statistics from the Office of Education, the Carnegie Commission, and the Bureau of the Census, indicates that by 1980 there will be a leveling off of enrollment. Enrollment will decrease by 1985, however, a slight increase is projected by 1990.

Mr. Flood. Please put in the record information showing this and break that down by public institutions and private institutions.

Mr. Herrell. For what period of time, Mr. Chairman?

Mr. Flood. Five years.

[The information follows:]

PROJECTED ENROLLMENTS IN INSTITUTIONS OF HIGHER EDUCATION, 1979–90

Year	Enrollments		Total
	Public	Private	
1979	8, 223, 000	2, 262, 000	10, 485, 000
1980	8, 265, 000	2, 252, 000	10, 517, 000
1981	8, 276, 000	2, 240, 000	10, 516, 000
1982	8, 214, 000	2, 202, 000	10, 416, 000
1985	(1)	(1)	10, 207, 000
1990	(1)	(1)	10, 397, 000

[1] Not available.

Source: "1979–82 Projections of Education Statistics to 1982–83") pp. 25 and 28; "1985 and 1990 Financing Postsecondary Education in the United States."

Note: Projections include degree and nondegree credit students and full- and part-time students.

Mr. **Flood**. Weren't the enrollments in this academic year higher than you originally estimated?

Mr. **Herrell**. I think they were, Mr. Chairman.

Mr. **Flood**. As a matter of fact, they were.

Mr. **Herrell**. Yes.

Mr. **Flood**. What do you think accounted for this development?

Mr. **Herrell**. Well, there could be several reasons such as the number of Vietnam veterans returning and entering college; and the increasing number of secondary school students entering postsecondary education.

The nonavailability of employment opportunities is probably another contributing factor.

Mr. **Flood**. Lack of jobs?

Mr. **Herrell**. That is right.

Mr. **Flood**. What does your data show regarding the low-income students? This is a problem, the low-income students in higher education. Are these enrollments still declining?

Dr. **Phillips**. I think the national participation rates in higher education are about 72 percent for high school graduates with family incomes over $15,000 and 53 percent for those with family incomes between $10,000 and $15,000 but only 38 percent for those with family incomes below $10,000. So the spread is almost 2 to 1 from the above $10,000 to the below $10,000.

PRIVATE INSTITUTIONS

Mr. **Flood**. Hearing a great deal about this especially during the last several months, what is your assessment of the financial situation among the private institutions? Is it as bad as some people say it is?

Mr. **Herrell**. The private institutions are having to struggle to maintain financial solvency. I would say that they are in trouble.

Mr. **Flood**. Period, right?

Mr. **Herrell**. That is right.

Mr. **Flood**. You don't seem to be inclined to volunteer very much about it.

Mr. **Herrell**. There is not much to volunteer.

Dr. **Bell**. I think I can say that I have had a significant number of presidents of private colleges come to my office expressing great concern about their financial problems.

Inflation is just moving up rapidly. They feel with this that giving, philanthropy, that they have been depending upon has not been coming forth in any way that matches this. They feel great pressure against raising tuition fees that are already quite high, to try to meet this.

BUDGET FOR STUDENT AID

Mr. **Flood**. We have the impression the tuition rates are going through the roof. We also believe that the Federal student aid, the eligibility has been pretty well liberalized in recent years.

Were these factors taken into consideration when this budget for student aid was put together?

Mr. **Herrell**. We certainly did consider it in the preparation of the budget for student aid. The administration's position has always been to provide assistance for low-income students so that they will have available funds from Federal, State, and local and outside sources in order to pursue a postsecondary education.

Dr. BELL. Our budget recommendation for basic opportunity grants reflects this concern and this pressure on the low-income students.

Mr. FLOOD. In your affirmative statement you touched upon one point in this. The 1976 budget is for $1,800 million. That is $127 million less than last year. Is that part of that figure or not?

Mr. HERRELL. The amount we were requesting for the guaranteed loan program.

Mr. FLOOD. No; the $1.8 billion.

Mr. HERRELL. The $1.8 billion is less than what was requested last year, mainly because we are not asking for funds for the supplemental educational opportunity grant program and the national direct student loan program.

APPROPRIATION LANGUAGE

Mr. FLOOD. How about your old friend, BOG? This budget for student aid proposes to fully fund BOG's, but you want to terminate the supplemental aid and the student loans. You know and I know and I know that you know I know that that is going to call for a change in the basic law.

All those things being so, what justification would this appropriation committee have to appropriate funds on that basis?

Mr. HERRELL. As you know, we are asking for appropriation language which will enable us to fund the basic educational opportunity grant program and the college work-study program without funding at the statutory levels for the other two programs.

Mr. FLOOD. Are you asking us to write a law?

Mr. HERRELL. No; we are asking the Appropriations Committee to satisfy our request.

Dr. BELL. I think the answer to that is yes.

Mr. FLOOD. That is going to call for a change in the basic law. So what do you do now?

Mr. MILLER. The only thing I can say is what I have said every year sometimes the committee has gone along with us as they used to do in SAFA and sometimes they haven't. All we can do is propose.

Mr. FLOOD. Now what do you think the Congress intended in the first place in creating this basic opportunity grant program?

Mr. HERRELL. I will ask Dr. Phillips, our associate commissioner for student assistance to answer that.

Dr. PHILLIPS. As we understand the law, the purpose is to meet the problem you raised, to correct the inequality of opportunity that presently exists and make it possible for the students from the lower income categories to have equal access to the benefits of postsecondary education.

It is for that reason that we are so strongly committed to the objective of full funding for that program, so that we can meet the instruction of the Congress to provide equality of opportunity for every American.

Mr. FLOOD. Again, you are proposing appropriation language to change this basic opportunity grant program. This is your business.

Why don't you change the law instead of trying to use language in appropriation bills? This is so basic and important you say. This is where I came in. You knocked on the door and I come in again.

Dr. PHILLIPS. Are you referring to the request for carryover?

Dr. BELL. We have made an effort to do that, sir. We have been before Mr. O'Hara's committee on this. So we have moved on that or made our effort and our recommendations on it.

EXPERIENCE WITH BASIC GRANT PROGRAM

Mr. FLOOD. I will ask you something and you can tell me a little bit about it right now but this is the kind of question that obviously you should expand for the record as you see fit. I would hope.

Just tell us briefly the experience this year with this BOG Program.

Dr. PHILLIPS. Could I ask Peter Voigt, director of that program to respond?

Mr. VOIGT. The experience this year with the basic grant program was not as good as we had hoped to happen. As you may know before an academic year starts with the program we have to issue a schedule of payments to establish the level of awards that eligible students will get based on the appropriation that is available for the program.

This level of payments is developed on the basis of estimates of the total population that is in postsecondary education and their various characteristics to determine their eligibility.

On these estimates we then come up with a total number of students who would be eligible.

We then have to make further estimates of how many will actually apply and what amount these students will get.

Clearly in this second year of the program's operation we did not feel that we had very accurate data other than national statistics, to make such estimates. Although we thought, when developing that payment schedule, that we were taking a fairly high risk in terms of actually spending more than we had, it turned out that the participation rate, that is those students who applied for and received aid and the average awards were somewhat lower than we expected. Therefore, we expect to have an unused amount of money in the basic grant program of approximately $135 million. We are, however, proposing to have this amount added to the fiscal year 1975 appropriation. We have gone to the authorizing committee requesting that.

With that add-on we are hoping to be able to fund the basic grant program at the maximum $1,400 level for next year.

So we are very much concerned about that.

1974 BASIC GRANT PROGRAM SURPLUS

Mr. FLOOD. Now the Secretary has just written a letter to me indicating that that $135 million of the 1974 appropriation for basic grants will not be obligated this year.

Can you explain the reasons for not obligating these funds?

Mr. VOIGT. I think it comes back to the question of our having to make estimates of how many students will participate and what their actual awards are before the academic year even begins.

We had to issue that payment schedule for the second year in May, without a very good data base in terms of experience to make that estimate.

Therefore, our estimates were off. We estimated that more students at a higher award level would participate than the experience actually showed.

Mr. Miller. Mr. Chairman, I think the money will be obligated. The issue is: When will it be obligated?

Do we have to increase the awards to students that have already been made or do we use it for students in the next fall term?

Dr. Bell. The law requires us to go back and increase payments to the students that already received them if we do not spend that full amount of money.

This is the matter that we have talked to the authorizing committee abount changing.

Mr. Flood. Now the Secretary is requesting this committee to include special language, more language in the appropriation bill so that these unobligated funds we are talking about can be used next year.

We rather doubt that the Legislative Committee would want us to do that. You say you were talking to that committee. Has the Education and Labor Committee been advised of this matter we are talking about, these requests? Don't you think they would frown—that is an understatement—about this kind of thing in an appropriation bill?

DIFFICULTY OF MAKING PREDICTIONS

Dr. Bell. We have been before them in an oversight hearing. We have made these recommendations. If I may, I would like to emphasize the difficulty in predicting what students out there are going to do each year.

You start by trying to estimate how many could qualify, could be eligible for a grant. Then out of those that are, you try to estimate how many might apply. That is an estimate upon an estimate. Following that, you try to estimate how many of those who do apply will qualify. Then following that the complexity of it is increased. Then you have to estimate what size of a grant they might qualify for.

The lower income students qualify under the formula for a larger grant. Then following that you have to estimate how many might drop out before they finish the year and therefore would not utilize their full grant. So it is a very complex estimating procedure.

Some have expressed some concern and some criticism for the fact that we missed our estimate by this amount. I do not think we ought to be in any way offering excuses but I think we ought to be describing the complexity of these estimates in a program that does not have any history. My concern now as we set it for next year is what this economy and unemployment, et cetera, will do to the program. I worry about our capacity to estimate it accurately next year. We are trying to learn from our experience and be introspective about what we are learning from it but it is extremely difficult.

BASIC GRANT PROGRAM ADMINISTRATION

Mr. Flood. Does the ~~present law~~ on basic opportunity grants authorize the use of funds for administrative purposes?

Mr. Herrell. The current Appropriation Act authorizes the use of funds for this purpose.

Mr. FLOOD. This 1976 appropriation bill, keep in mind this is the fourth. Remember this now, year after year. This is the fourth basic opportunity grant program. In your appropriation language here you request $11.5 million for administrative expenses. That, by the way, is the amount initially authorized to get the program going, get it started. Well, now that you have this administrative machinery all set up and going, why should that same amount be required for each subsequent year?

Mr. HERRELL. May I have Mr. Voigt explain to you just exactly what the $11.5 million is used for and what we have used it for in previous years.

Mr. VOIGT. As you know, under the basic grant program students apply to the Federal Government directly to have their eligibility determined.

By far the largest portion of the administrative money to be used is for the processing of students' applications.

Mr. FLOOD. That was so the very first day you appeared here and testified on the BOG program. You told us this is what the program was going to do. $11.5 million and get this started and it will be great.

Now it is 4 years later, same program, same procedure, nothing new, still $11.5 million.

Mr. VOIGT. When we came before you the first time we came before you with an appropriation request for funding of all four classes in postsecondary education. That is what the $11.5 million was based on. As you know, we have only been able to add a new class each year, but in 1976 we will be dealing with all four classes in undergraduate education. Therefore, our estimate for the number of applications we will receive and have to process are included in that $11.5 million.

RELIABILITY OF ESTIMATES

Mr. FLOOD. Over these last several years, you have revised downward the total dollar estimates of the amount required to fully fund BOG. How reliable do you think your current estimates are?

Mr. VOIGT. As we gain program experience, our estimates are getting considerably better. For example, we have to include estimates on the asset position of the applicant families.

That kind of information is very difficult to come by. We have to include estimates on the income and asset distribution by family size and similar information on students in vocational and proprietary institutions. That data is also very hard to come by. We are now getting data on these kinds of things from our application data base.

REVISIONS IN FAMILY CONTRIBUTION SCHEDULE

Mr. FLOOD. Why is the dollar estimate lower now that the revisions in this family contribution schedule have made more students eligible? How does that add up?

Mr. VOIGT. It has made more students eligible; however, our estimates on the various factors in the family contribution determination systems are getting better. We are getting better estimates on the social security recipients, on the asset positions, on family size, et cetera, based on program experience. These data have been included in our estimates and have resulted in lower estimates.

Mr. **Flood.** As you know, a bill has been introduced, H.R. 3471, that would remove all assets from the expected family contribution. Does your office support this change?

Do you have any idea what this change is going to cost?

Mr. **Herrell.** Mr. Chairman, we are to appear before the authorizing committee next week. As yet the administration has not reached a position on this bill.

Mr. **Flood.** At what date?

Mr. **Herrell.** March 18.

Mr. **Flood.** You are going before the Labor and Education Committee.

You are talking about next week?

Mr. **Herrell.** That is correct.

Mr. **Phillips.** I think you asked what the estimates of costs might be in removing assets from consideration. Do you want us to respond?

Mr. **Flood.** I want to know if you have any idea what this change is going to cost. Did your computers break down over the weekend? This is next week. Somebody ought to ask you.

Mr. **Voigt.** At this point it is a little difficult to estimate.

Mr. **Flood.** At this point in time?

Mr. **Voigt.** But roughly we think the removal of assets will cost around $400 million. The reason it is difficult to estimate is that some others, many of the other parameters of the program would also be changed in H.R. 3471 such as the maximum award level. That is fluid at the moment. It is still an estimated figure but our estimates are about $400 million.

Mr. **Flood.** You will have a busy couple of days before next Tuesday.

Mr. **Voigt.** Yes.

PROFILE OF A BASIC GRANT RECIPIENT

Mr. **Flood.** Give us a profile of a basic grant recipient. Are they just for low-income students?

Mr. **Voigt.** Not necessarily. The grants this year are going to students with annual family incomes as high as $12,000 and $13,000.

Mr. **Flood.** What is the maximum family income eligible for a grant?

Mr. **Voigt.** There is no maximum because you take into account other factors such as asset positions, size of family, unusual expenses, number of persons in postsecondary education. So it is very difficult to say "beyond *x* dollars in family income one is not eligible for basic grants." We have had eligible students from very large families with $18,000 or $19,000 in family income.

Mr. **Flood.** Develop that a little more, please.

Mr. **Voigt.** On the average, the cutoff is roughly around $12,000 or $12,500 this year. It will go up somewhat next year with the changes in the family contribution schedules to take care of inflation.

STUDENT AID BY ACADEMIC YEAR

Mr. **Flood.** Take a look at last year's hearings, page 487 and 488 of last year's hearings and for the record update the student aid information.

Mr. **Voigt.** Yes, sir.

[The information follows:]

FEDERAL STUDENT AID FUNDS BY ACADEMIC YEAR

(in thousands of dollars)

Appropriation	Amount appropriated	Year of impact		
		1974-75	1975-76	1976-77
Program and year of appropriation:				
Basic opportunity grants:				
1974	475,000	475,000		
1975	660,000		660,000	
1976	1,050,000			1,050,000
Work-study:				
1974	270,200	270,200		
1975	300,200		300,200	
1976	250,000			250,000
Supplemental opportunity grants:				
1974	210,300	210,300		
1975	240,300		240,300	
1976				
National direct student loans:				
1974	293,000	293,000		
1975	329,440		329,440	
1976	8,960			8,960
Subtotal		1,248,500	1,529,940	1,308,960
Guaranteed student loans appropriations:				
Interest, special allowance, death or disability:				
1974	310,000			
1975	[1]382,400	[1]382,400		
1976	452,000		452,000	
1977	(2)			(2)
(Level of new guaranteed loans)		1,400,000	1,650,000	(2)
Total appropriation:				
1974	310,000			
1975	382,400	382,400		
1976	452,000		452,000	
1977	(2)			(2)
(Level of new guaranteed loans)		1,400,000	1,650,000	(2)
Total appropriation:				
1974	1,558,500			
1975	1,912,340			
1976	1,760,960			

[1] These figures reflect the proposed supplemental of $67,400,000 for the guaranteed student loan program.

[2] Since the guaranteed student loan program is current year funded, funding for academic year 1976/77 must come from the fiscal year 1977 appropriation for which estimates are not yet available.

STUDENT ASSISTANCE - NUMBER OF AWARDS

	Academic Year		
	1974/75	1975/76	1976/77
Basic opportunity grants	689,000	1,107,600	1,323,600
Supplemental opportunity grants	304,000	347,000	....
Work-study jobs	560,000	624,000	520,000
Direct loans	671,000	728,000	328,000
Subsidized insured loans	1,000,000	1,100,000	(1)
Total awards	3,224,000	3,906,600	[3] 2,171,600
Average award:[2]			
Basic opportunity grants	$ 475	$ 586	$ 785
Work-study jobs	580	580	580
Direct loans	690	690	500
Subsidized insured loans	1,400	1,500	(1)

1. Since the guaranteed student loan program is current year funded, funding for academic year 1976/77 must come from the fiscal year 1977 appropriation for which estimates are not yet available.

2. The average award is not found by dividing Federal funds by number of awards in any of these programs. For basic opportunity grants the administrative costs must be subtracted. For supplemental opportunity grants (formerly called EOG's), 3 percent of the total may be used by the institution for administrative expenses. In the case of work-study, the student's pay is about 120 percent of Federal funds. This is the net of a matching requirement and a 3 percent administrative allowance for the institution. In the case of direct loans, the average loan is derived by dividing the number of loans into the total lending level which is made up of Federal capital contributions, institutional matching funds, money from repayments into the loan fund, less a 3 percent administrative allowance for the institution. In the case of guaranteed loans, the average is level of new loans divided by the number of loans.

3. Does not include guaranteed student loans (See footnote 1 above).

BASIC GRANT AWARDS: FAMILY OF 4—1 CHILD IN COLLEGE—COST OF ATTENDANCE $2,800

Parents' adjusted gross income	Full-funding estimated at $1,050,000	Scheduled reduction	20 percent pro rata reduction
$4,000	$1, 400	$1, 050	$840
$6,000	1, 240	930	740
$10,000	580	290	230
$15,000	0	0	0

Note: Based on family contribution schedules in effect for academic year 1975-76.

DISTRIBUTION OF SUPPORT, BASIC GRANTS—FULL-FUNDING FISCAL YEAR 1976

Income category	Distribution appropriation (millions)	Average award	Percent recipient	Attendance (percent)	
				Public	Private
0 to $4,000	$378. 0	$1, 135	36. 0	67. 8	32. 2
$4,001 to $6,000	258. 3	990	24. 6	67. 8	32. 2
$6,001 to $10,000	282. 5	780	26. 9	65. 0	34. 4
$10,000 to $15,000	127. 0	502	12. 1	63. 0	37. 0
Over $15,000	4. 2	380	. 4	62. 4	37. 6
Total	1, 050. 0	830	100. 0	65. 7	34. 3

Note: Based on family contribution schedules in effect for academic year 1975-76.

BASIC GRANT PROGRAM ADMINISTRATIVE EXPENSES

Mr. HERRELL. Mr. Chairman, with reference to the $11.5 million that we are requesting for administrative purposes, we have a table that I would like to submit for the record which would indicate how the funds would be utilized. If it would be agreeable to the committee, I would like to submit this for the record.

Mr. FLOOD. By all means.

[The information follows:]

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM
ADMINISTRATIVE EXPENSES

	Estimated obligations from fiscal year—	
	1975	1976
Application processing	$3, 030, 661	$4, 225, 000
System development	387, 000	500, 000
Training	826, 750	925, 000
Management studies	502, 000	1, 500, 000
ADP	[1] 245, 000	[2] 1, 450, 000
Public information	305, 560	350, 000
Mail handling services	85, 000	160, 000
Application printing	1, 400, 000	2, 000, 000
General printing	260, 000	390, 000
Total	7, 041, 971	11, 500, 000

[1] This figure represents ADP costs from fiscal year 1975 funds covering 1974-75 academic year.

[2] This figure represents the ADP costs for both academic years 1975-76 and 1976-77 ($65,000 and $800,000 respectively)

Note: Both the fiscal year 1973 and fiscal year 1974 appropriations for basic grants included an $11,500,000 "set-aside" for contractual administrative costs for the program. The "set-aside" from the fiscal year 1973 appropriation was sufficient to meet the expenses incurred for the 1973-74 academic year as well as partially meet the needs of the 1974-75 academic year. Therefore, the "set-aside" from the fiscal year 1974 appropriation was not utilized and the total amount of the appropriation ($475,000,000) is to be used to make basic grant awards.

ADMINISTRATIVE EXPENSES FOR BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

	Fiscal year—	
	1975	1976
Processing of student application: Receives student applications; calculates eligibility using OE formula; notifies student of eligibility status; production of status reports on student characteristics; makes corrections as requested by students and updates student files; alternate disbursement system for direct payment of awards to students whose schools do not participate in basic grants	3,030,661	4,225,000
System development: Development, testing modification, and maintenance of system for distribution of OE funds to eligible institutions and processing progress reports regarding status of funds	387,000	500,000
Training: Provide information and training to high school guidance counselors, and student financial aid officers, and other interested parties on all operations of basic grants; calculation of student awards; application; reporting procedures, etc., general student aid overview	826,750	925,000
Public information: Development and production of audio-visual materials for training program and TV and radio spots	305,560	350,000
Management studies: Analysis and field tests of forms used; study of validity of data submitted by recipients and their families; patterns of attendance, family income, cost of attendance, sources of aid, effectiveness of information dissemination activities; analysis of student aid population	502,000	1,500,000
Automatic data processing: Data management center (HEW)—Production of authorization letters, labels for eligible institutions; General Electric Corp.—Rental of terminal; processing of family contribution analysis report and progress report, data entry (keypunching, production of error reports)	245,000	1,450,000
Mail handling services: Distribution of application materials, forms, promotional materials, etc	85,000	160,000
Application printing: Design, preparation, printing and distribution of application forms and related materials	1,400,000	2,000,000
General printing: Regulations, explanatory materials, handbooks, list of eligible schools, calculation of eligibility index, etc	260,000	390,000
Total	7,041,971	11,500,000

NATIONAL DIRECT STUDENT LOAN PROGRAM

Mr. FLOOD. One of the reasons you give for terminating the direct loan program is that the guaranteed loan program can do the same thing. This we do not understand because as far as we understand they both operated in totally different ways and also the default claims are much lower in the direct loan program, are they not?

Dr. PHILLIPS. Could I ask Dr. Spearman to respond to that?

Mr. FLOOD. Sure. I don't blame you.

Dr. SPEARMAN. Mr. Chairman, admittedly we are approaching the authorizing committee at the same time asking for a revision of this program. But I think when we examine this program in comparison to the insured loans program we do have some obvious difficulties. For one, the direct loans program bears a 3-percent interest rate with the same amount of repayment time as the federally insured student loans program which bears 7-percent interest. This affects the repayment capability of students.

Two, there are State allotment provisions contained within the authorizing statute governing the national direct student loan program which makes distribution uneven in this country. If two students graduate from the same high school in Washington and have the same financial circumstances, one may be able to obtain an NDSL and the other not because they go to colleges in different States.

Third, we are making a direct effort to improve the provisions for collection. We estimate there would be $164 million available for loans at a volume of approximately 300,000 students in the national direct student loan program.

Four, the program really has two parts, not only to make low-interest loans available to students but to have available effective revolving funds. Unless we can beef up that collection level and reduce the Federal capital contribution, I'm afraid we are witnessing an increase in the default rate in the NDSL program.

Mr. FLOOD. Do you think it is wise to rely so heavily on the guaranteed loan program to assist low-income students? Wouldn't it be more economical to give a poor student an outright grant than saddle him with a $5,000 loan on which he might default?

Dr. SPEARMAN. That is the reason we are asking for the basic opportunity grant program to reduce the amount of indebtedness the student has to absorb in the national direct student loan program.

Mr. FLOOD. But you have this proposal to terminate the direct loan, indicating that your program will continue to operate with funds available from the loan repayments.

Dr. SPEARMAN. We are not asking for termination of the program. We are asking for termination of new Federal capital contribution in the program and depending on the resources available which are already in operation, which is about $2.8 billion, in order to make these available to students on a continuing basis.

My estimate is that we will eventually achieve a collection rate of $200 million per year.

Mr. FLOOD. We understand as of last December only 176 of the institutions had these revolving fund loans available. Isn't it a fact that your proposed termination of that program would in effect end the program for most institutions just like that?

Dr. SPEARMAN. No.

It might stimulate those institutions that have been lax in collection efforts to make a greater effort to get the funds back into the schools.

GUARANTEED STUDENT LOAN PROGRAM

Mr. FLOOD. You are requesting an increase of $69.5 million for the insured student loan program. All right, now how much of that increase would you refer to as what you call special allowances? Is that a mandatory requirement required by law?

Mr. YORK. Yes, the special allowance is a legal requirement.

The amount is not a legal requirement. The law allows us to make a determination on a quarterly basis between zero and 3 percent as to what the special allowance should be in order to provide equity to the lenders based on other economic conditions.

Mr. FLOOD. How frequently is this need for special allowances determined during the fiscal year?

Mr. YORK. Quarterly, sir.

Mr. FLOOD. Is this based on paying the maximum special allowance for the entire fiscal year?

Mr. YORK. Yes, it is. At the point this budget was put together we had already experienced a number of quarters where we had to set the level at 3 percent, looking at all the other economic factors. Quarterly, there is a review of a whole series of economic factors made by our Department, the Department of Treasury and OMB jointly and a decision is made jointly to establish the level.

At the point we established this budget estimate we did not see anything on the horizon which would cause us to have to pay less than

3 percent. Now, I would admit that in the last couple of weeks there seems to be a downturn in some of the interest rates and it may well be.

Mr. FLOOD. If general interest rate decline during the next several months, would the special allowance then be reduced?

Mr. YORK. Absolutely.

Mr. FLOOD. I understand this guaranteed loan program is closed down temporarily in Texas. There are all kinds of problems from what we hear. Is this typical of the way the program is being administered in other States?

Mr. YORK. First, the loan program is not closed down anyplace in the country.

Mr. FLOOD. It is not closed down in Texas?

Mr. YORK. No, sir, it is not. There was a period of about a day and a half where in fact the office was closed. There was an investigation. It is an ongoing investigation being performed by the Department of Justice. As this first came to light, in order to assure protection of the records, we did close the office for a day and a half.

Mr. FLOOD. It was temporarily closed down in Texas?

Mr. YORK. Yes, our regional office for the guaranteed student loan program. But it is back in full operation and has been for the last 2½ months.

IMPROVING MANAGEMENT OF GUARANTEED LOAN PROGRAM

Mr. FLOOD. What are you doing to improve the management of this guaranteed loan program?

Mr. YORK. There are a rather large series of things we are doing which will have an effect on that. Starting with the publication of new regulations last October as notice of proposed rulemaking for comment.

We held public hearings in three cities and published those regulations on the 24th of February. They give us the ability to suspend, limit, or terminate schools and lenders who are not following the applicable law or regulations in this program. They require a fair and equitable refund policy of administrative things we think will help. We have proposed legislation that will have another effect on this program. Among some of the factors in that legislation are the elimination of infancy as a defense against these loans. We have proposed the elimination of bankruptcy for 5 years as a defense. We have made a major reorganization within the Office of Education and completely reorganized the internal structure and functions of the program.

With your help we added significant resources to this program, particularly in the collections area and particularly in our regional offices. We have just completed developing an indepth video tape training program and collectors' manuals for our collectors in the field.

We are starting to do the same thing for our lender examination people.

Mr. FLOOD. You can develop that for the record.

[The information follows:]

MANAGEMENT IMPROVEMENT OF THE GUARANTEED STUDENT LOAN PROGRAM

MISSION

The mission of the Office of Guaranteed Student Loans is to facilitate the making of loans enabling eligible students to borrow in order to finance their postsecondary education.

MANAGEMENT OBJECTIVES

A major management goal of the Office of Education for fiscal year 1976 is to continue to strengthen the administration of the guaranteed student loan program (GSLP). Specific objectives include:

—Implementing a fully developed claims examination function in the regional offices.
—Improving collections of defaulted loans to minimize the loss to the Federal Government.
—Developing a technique for improved interest billings verification.
—Utilizing an estimation model to facilitate program planning and budgeting.
—Utilizing the manpower management system to improve budget accuracy and to evaluate program performance.
—Revising and publishing stringent program regulations.
—Issuing up-dated program manuals for lenders and eligible institutions.
—Providing continuous training programs for regional personnel: Field examiners, claims examiners, collectors, and collector correspondents.
—Developing and implementing a strategy for communications between the guaranteed student loan program and lenders, schools, the public and the media as well as for internal Office of Education, regional offices, and guarantee agencies use.
—Increasing the number and quality of the program reviews of participating lenders and eligible institutions to effect better care and diligence in the making of loans to reduce potential defaults.
—Conducting annual program and due diligence reviews of guarantee agencies.
—Designing a sophisticated and improved computer system to assure financial accountability, a quality data base and sound long-range management and administration of the program.

COLLEGE WORK-STUDY PROGRAM

Mr. **FLOOD.** You are decreasing the budget for the college work-study program by $50 million. Wouldn't that be a likely program to expand since obviously today there is more work necessary for the students? Particularly during the vacation and summer months period we have a problem.

In this period of continued unemployment, rising costs, won't the traditional sources of jobs for summer be drying up?

Mr. **HERRELL.** Mr. Chairman, we wish to concentrate the student financial aid funds on basic grants and guaranteed loans because these programs provide money directly to the students, thus facilitating maximum freedom of choice for the students. In addition, the basic grant program has the advantage of more effectively directing aid to those students with the greatest need. Like the SEOG and the NDSL programs, the college work-study program has an institutional base and is governed by a State allotment formula thus limiting the equitable distribution and availability of funds to needy students. It was partly because of these two handicaps that we have proposed to terminate funding the SEOG and NDSL programs.

We are proposing to continue funding the College Work-Study Program at slightly above the minimum funding level required by the law, which is $237.4 million, because of our strong belief in the value of the work ethic for students, we believe the requested appropriation level is sufficient to sustain the work-study principle on college campuses.

A higher appropriation for this program would run counter to the principle of student freedom of choice which is the foundation for the administration's strategy for student financial aid.

GAO REPORT

Mr. FLOOD. This college work-study program is another area that needs improved management. GAO on February 27 sent a letter to the Secretary pointing out weaknesses in the program administration. It seems to me that it would be much more beneficial to improve the operation of these education programs instead of cutting them back.

Mr. HERRELL. I have read the report. I was also involved with the GAO when they came in and chatted about it.

My impression, Mr. Chairman, was that they thought the college work-study program was a very good program. Two areas which needed strengthening were training of student financial aid officers so that they would be better informed and updating program manuals. My reaction was that the GAO was generally complimentary regarding the administration of this particular program.

Dr. SPEARMAN. Mr. Chairman, we met with the representatives of GAO who did that study. In the final meeting prior to the submission of their official document the criticisms that were lodged against the college work-study program were not internal problems related to the efficiency of the program per se but rather were related to ineffective monitoring of the program.

Mr. FLOOD. Let me quote from their report.

> Although the program appeared to be reasonably well administered by OE, some problems at the institutions visited could be traced to the weakness in program administration. Specifically, OE needs to, one, provide current program regulations and guidance; two, improve program monitoring; three, promote the opportunity for additional training of financial aid officers.

What do you think that means?

Dr. SPEARMAN. That is precisely the point I am addressing.

Mr. FLOOD. They certainly were not completely enamored with you.

Dr. SPEARMAN. Most GAO reports I have read have not been completely enamored with any program.

Mr. FLOOD. Well, here is another one.

Dr. SPEARMAN. I think that the interpretation we got from this was that, given the fact that the financial aid officers in the field turn over at a rate of approximately 30 percent per year, in many instances the criticism against OE is for its failure to provide sufficient technical training, via the national and regional offices, to be able to accommodate that vast number of people moving in and out, and that some specific mechanisms for insuring training of these people ought to be developed.

I perceive this as a management function of assisting institutions as a weakness here and through the provision of up-to-date regulations rather than a weakness in the program itself.

STATE STUDENT INCENTIVE GRANTS PROGRAM

Mr. **Flood**. What is the income distribution of the recipients of the scholarships under the State student incentive grant program?

Dr. **Phillips**. I think it is fair to say the income distribution here is somewhat wider than it is in some of the other programs we have been discussing here today. The standard of substantial need is a fairly wide and broad standard.

The States are given a fairly wide degree of flexibility in determining the amount of need for these individual awards. I would say that probably you are going to get a little wider spread up in the neighborhood of $15,000 to $18,000 as opposed to a normal cutoff of perhaps $12,000 income level in the basic grant program.

Mr. **Flood**. What is the distribution between the recipients enrolled in private and public schools?

Dr. **Phillips**. Of course, Mr. Chairman, it varies considerably by State because some States do not make money available to students attending private schools and others do. Generally speaking, I believe the distribution is approximately 30 percent of the money presently going to assist students attending private nonprofit institutions.

Mr. **Flood**. What is the experience with the proprietary vocational schools, the student participation there in the progam?

Dr. **Phillips**. Here again, Mr. Chairman, it is a function primarily of State policy. It would be a question of how many States are actually providing assistance to students attending proprietary institutions. That number began at a fairly low level but it has increased significantly over the last several years.

UNIVERSITY COMMUNITY SERVICES

Mr. **Flood**. I am going to have a number of questions here for you later on the student loan insurance program, higher education facilities loan, and the insurance program. But I want to just ask you one or two more now. What do your evaluations show concerning the university community services? Have these programs been effective in carrying out continuing education program for the eldery, the minorities, the prisoners, and the like?

Isn't this program valuable to provide opportunities for training and retraining?

Don't you need such programs, especially now in periods of high unemployment?

Mr. **Herrell**. The continuing education and community services programs authorized under title I is a very good program. However, when you are confronted with tight fiscal constraints regarding funds, it is necessary to make some difficult choices. The choice in this particular instance was that we would not request funding for this program.

Mr. **Flood**. Well, that takes care of that.

COOPERATIVE EDUCATION PROGRAM

Why are you requesting a reduced amount for the cooperative education program? That is the higher education program which I think comes closest to strengthening the relationship betwen higher education and work.

Mr. HERRELL. There is a decrease in the amount of money which we are requesting in fiscal year 1976. There will be, however, 209 schools that will complete their third year of support in fiscal year 1975. The statute limits support to 3 years. Therefore, approximately 100 new schools will be supported in fiscal year 1976, an increase of 25 over new schools supported in fiscal year 1975. The second reason is that the fiscal year 1975 Appropriation Act provided $500,000 for a study of cooperative education. This study will direct itself to an examination of the effectiveness of cooperative education. Therefore, we believe that the $8 million, although a reduction, will allow for a continuation of this program until the results of the study are available.

Dr. LEESTMA. I think there is a historical perspective that is useful in looking at this year's budget request. Whereas one can trace the origin of cooperative education back some 70 years to a program at the University of Cincinnati the fact remains that something like 90 percent of the programs in operation today began in the last 10 years. There is an understandable concern to take a look at this very rapid buildup in persons and see what we have learned from it in order to better chart the future.

MINING AND MINERAL CONSERVATION FELLOWSHIPS

Mr. FLOOD. I will ask one more question about how you approach this. In the area of personnel development, I am puzzled about the proposed termination of mining and mineral conservation fellowships. You know where I come from. I am no amateur in that business. Can you assure us that we do not presently have a national shortage of specialists in that area, given our present needs and future needs for the extensive research and development in the area of energy?

Doesn't the country need to increase the qualified manpower in this field? We think so. Here you want to cut it out. Put that one together.

Dr. LEESTMA. That is another difficult one, Mr. Chairman.

Mr. FLOOD. That's what I said. That is restating the case.

Dr. LEESTMA. But in all fairness, sir, the very substantial degree of development and sophistication in this country in the mining and extraction industries brought about by private industry over time has not yet in any dramatic way seemed to indicate that Federal assistance is required.

Mr. FLOOD. No?

Dr. LEESTMA. Now, since the Congress does appear to be in the process of making funds available from the fiscal 1975 appropriation, I would guess that later in the year we will have a pretty good indication of what the demand will be for such fellowships, the interest of the institutions that would receive and administer them, and we will have a much better picture later than we have now.

I think the honest answer to your question is that so far the private sector through employment possibilities and all associated with it have by and large been able to generate a sufficient flow of trained manpower in these fields. But we will know better later on.

Dr. Bell. In addition, we have a lot of other general aid programs where persons who want to study in this area can receive assistance. So we had difficulty seeing the need for a specialized program in this particular area. It has been on the books for a long time and has not been funded. So we really have difficulty justifying this in our minds as we wrestled with the totality of the budget. It is again, I think, like the university community services. It is a very small program. The university community services program is. I would say in addition to what Mr. Herrell said that we think the university community services program ought to be dropped on its merits because of the small, ineffective type efforts that are being made.

Mr. Conte.

Mr. Conte. Thank you, Mr. Chairman.

VETERANS COST OF INSTRUCTION PROGRAM

I was taken aback by Mr. Herrell's answer to my questions during the supplemental hearings concerning the OE's attitude toward the Vietnam veterans and the veterans cost of instruction program. I want to insert these questions and answers and share them with my colleagues. I can only characterize the replies of the Associate Commissioner for Higher Education as being unresponsive and showing almost a complete lack of knowledge around the controversy of this Nation's sore treatment of the Vietnam veterans with respect to education and jobs.

I chaired a committee for the League of Mayors and went all over the United States on my own and held hearings a couple of years ago and drew up a white paper and presented it to the Veterans Affairs Committee. So I have some feeling for the Vietnam veterans.

The gentleman's reply seems to show no awareness of the studies done by the Educational Testing Service for the VA. As you recall, that received front page publicity in the Washington Post on September 4, 1973. Among the chief findings of those studies were these facts, the poorer the veteran is, the harder it is for him to use the GI bill of rights, second, access to education turned on what State a veteran lived in because of substantially different costs of post secondary education, third, that late VA checks hurt veterans trying to use the benefits and four, veterans excluded from the Office of Education student aid programs.

Now we fund the Office of Education with millions of dollars for administrative personnel. I want to know exactly what you and your deputies and the Commissioner are doing to integrate the G.I. bill with the HEW financial aid programs.

Mr. Herrell. I, too, have a great deal of respect for the veterans, being one myself. I regret that you did not consider my answers straightforward. I must say, in all true candor, that it was necessary for me to restrain my emotions in responding. I will ask the official responsible for the veterans program to answer your questions directly. Dr. Spearman.

Dr. Spearman. I think that it would be unfair to say that the Office of Education has a lack of interest in the Vietnam vets. In 1972, I believe, the Secretary, then Elliot Richardson, asked me to accompany him with a team from Defense and Labor, on a trip to the Far East to explore possibilities and ways in which the Office of Education could increase its responsiveness to veterans and we have continued to be sensitive to the needs of veterans. That does not eliminate the possibility that the veterans cost of instruction program as now conceived is the best way of doing it.

The figures you report regarding the number of veterans requiring support are correct. They would show that approximately 650,000 of the Vietnam veteran users who are basically low-income and poorly trained require greater services at the GED and precollege level. We are currently addressing that same matter with the authorizing committee as they have proposed certain kinds of legislation to address the problem of reaching Vietnam veterans.

At the present time the veterans cost of instruction program supports just over 1,000 institutions of higher education, which is a relatively limited number when you look at the total universe of institutions that veterans are attending and are able to attend.

We are also aware of the fact that the current program, the veterans cost of instruction program, is funded at about 17 percent of the full-funding level, providing approximately $40 per candidate for the veterans and $20 additional if he is educationally disadvantaged. We believe with the increase in support being given to the special services programs and the number of veterans participating in the special services programs in institutions of higher learning and the increased amount of funds that the universality of the veteran programs which covers the entire universe of educational programs that the veterans cost of instruction program is not really meeting the universe that perhaps the authorizing legislation intended for it.

The smaller schools, for example, those that have only 28 and 27 veterans, are not likely and have not been inclined to even participate in the program. So we have concluded to that with the limited resources available and the priority of increasing the funds in the basic grant program and the increased eligibility of the vets to participate in that program that those enrolled in the postsecondary institutions are likely to be more helped by our student financial aid programs than by the veterans cost of instruction program.

But I assure you that the priority does not reflect the fact that the Office of Education does not have concern. It is rather a question of what is the best mechanism at this point to address the veterans issue.

Dr. BELL. No veteran is excluded from any of our student aid programs—BOG, NDSL, or any of them. They have total access to them just like other students do.

VETERAN PARTICIPATION IN BASIC GRANT PROGRAM

Mr. CONTE. Last year at these hearings Neal Smith asked an extensive series of questions which I have gone back and read which reveal after much doubletalk that the veterans were excluded for all practical purposes—you read that record—from participating in the BOG program despite clear congressional intent that they be included. Did you read that record from last year?

Mr. HERRELL. We have made some changes in the basic grant program.

Mr. Voigt can provide you with details.

Mr. VOIGT. The changes that were made this year in the eligibility determination system in the basic grant program will now significantly increase the ability of veterans to become eligible.

As you know, during the current academic year half of the veterans benefits that the student received were counted as a family contribution. This year that half of the veterans benefit is being treated like normal income from which you then subtract the regular allowances. Then from what is left you determine the contribution. The contribution rate is roughly 20 percent. So the veterans participation should go up significantly in the basic grant program.

Mr. MILLER. I think the only point that has not come across clearly is that if there are problems in veterans getting funds to go to school this program does not help them. This is a program whether the money goes to institutions.

Mr. CONTE. I know that this encourages the institution to go out and recruit them. After World War II when we had the GI bill of rights, when the Federal Government was paying the full tuition to any college in the land, including Harvard, and the veteran, with that and with the stipend he got per month, still had about $50, if my computations are correct, left over.

All the colleges were then going out and recruiting. They did not need the incentive. Now the GI bill is so small it does not give them an incentive.

Mr. MILLER. I would submit that this is a drop in the bucket. If you want to attack the problem the GI bill and student assistance programs are the way to do it.

[The questions follow:]

QUESTIONS ON THE RESCISSION OF THE VETERANS COST OF INSTRUCTION PROGRAM SUBMITTED BY CONGRESSMAN SILVIO CONTE TO THE OFFICE OF EDUCATION IN CONNECTION WITH LABOR/HEW APPROPRIATION SUBCOMMITTEE HEARINGS, MARCH 7, 1975

Veterans' Cost of Instruction

Congressman CONTE. February unemployment data shows that veterans' unemployment has jumped to 19.7 percent for vets 20-24-years old. This data was released the day after HEW's statement on the need for this rescission was published in the "Federal Register." You said, "the high point of need for the funds has already passed." Explain?

ACTING DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION, HEW, OE

Mr. HARRELL. It is our judgment that institutions of higher education have been making a maximum effort in the past 2 or 3 years to recruit veterans and we believe that most of them will continue to do so even without additional Federal support. Furthermore, most veterans who are unemployed are presumably seeking jobs, not more education. We do not believe that veterans should be pressured into entering college merely to reduce the unemployment rolls.

Congressman CONTE. The GI bill can be a tool to fight recession and unemployment particularly when it is combined with public job opportunities by splitting jobs. By the "Emergency Job Assistance Act" the President signed on December 30th, your Department was directed to work with the Secretary of Labor and the VA Administrator to see that this happened. How can you reconcile these congressional directives, the unemployment data, and your rescission request?

Mr. HERRELL. Our ability to collaborate with the Secretary of Labor in carrying out the provisions of the Emergency Job Assistance Act is not dependent on the continued existence of the veterans-cost-of-instruction program and we shall certainly continue to cooperate with the Secretary of Labor in every way we can.

Furthermore, the veterans-cost-of-instruction program makes no significant contribution to the fight against recession nor to the improvement of employment opportunities for veterans.

Congressman Conte. You further state that veterans-cost-of-instruction funds will not be spent until fiscal year 1976, as an excuse for not spending the money. This situation arises because of the fact that instead of spending the initial appropriation for this program which was passed in October 1972, with explicit directions that it become effective instantly, your Department impounded the funds. You only spent them after you were sued by the National Association of Concerned Veterans. Then you took the late release of those funds as the excuse for not releasing the next year's appropriation until June, violating the provisions of the law that required that you pay grantees three times during the year. Now you come back with this excuse for not carrying out the program—this excuse based on your original refusal to carry out congressional intent. The mind boggles. Explain how your flouting of our intent justifies the refusal to carry out the program now.

Mr. Herrell. Our reasons for not wishing to fund the veterans-cost-of-instruction programs are not based upon the year in which the funds will be spent. As we have stated before, we believe that the veterans-cost-of-instruction program has stimulated most colleges to initiate a veterans recruitment, counseling, and tutoring effort and we believe that most of them will be willing and able to continue this effort even after the withdrawal of Federal funds. We do not claim that the VCI program is not still serving a useful purpose; however, the amount of Federal funds available for higher education is finite and it is our judgment that we can best serve all needy students, including veterans, by concentrating scarce Federal funds on student financial aid. If we are to divert funds to support narrow categorical aid programs serving special interest groups, no matter how deserving, it must ultimately result in less support for student financial aid programs which provide assistance to all groups whose members are in need of such aid.

Congressman Conte. There is an E in HEW which I believe stands for education. I thought the Secretary was supposed to be the Nation's chief education officer concerned with coordinating its education policy. This is the one statutory program that gives colleges the capability of dealing with veterans. Your office has shown little interest in educational opportunities for veterans despite the fact that the GI bill is expected to put $4 billion into postsecondary education this year while HEW's programs are expected to put in $2.104 million. I simply can't understand how your office can continue to ignore this expenditure and at the same time want to kill the one program that gives you a handle on it? Could you explain this lack of interest in your statutory role to coordinate these programs?

Mr. Herrell. We believe that institutional student financial aid officers are doing and will continue to do an effective job of coordinating student financial aid resources for all their students, including veterans. It is our judgment that OE can best assist veterans by continuing to provide them with student financial aid which is why we are proposing to concentrate higher education funds on the student financial aid programs.

Congressman Conte. Apparently the Administration is arguing informally that the VA's Veterans Representative program is a substitute for the vets-cost-of-instruction program. Yet we were assured that these programs were not considered by the Administration to be duplicative, when the VA originally requested the money. Further prime function of the vets reps is to expedite VA checks and other problems which have forced thousands of veterans to drop out of schools. The assignment of vets reps was supposed to free the veterans-cost-of-instruction people for outreach programs. I hope you will be sure to see that this argument is no longer used because vets reps are not college employees and do not have the impact that people funded through HEW programs are having. At this point I would like to insert into the record the results of a survey conducted by the San Diego veterans task force. It shows the enormous impact of the veterans-cost-of-instruction program on colleges, which like the Office of Education had often ignored the veterans, who were taken under this Nation's most unfair draft.

Congressman Conte. Last year your argument for recission of this program was that you would rather give the money to the veterans than to the institutions. Then, of course, the Administration threatened to, and did veto GI bill increases. At the same time you say that you ignore the fact that tuition nowhere covers college costs and so there would be not veterans offices without this money. HEW employees have also stated in connection with this rescission that it is not a

Federal responsibility and should be taken over by the colleges. On that score I would like to read to you a quote from the President's Budget Message for fiscal year 1974. The primary responsibility for most (education and manpower training) activities, other than those for veterans rests with the State and local government. Now you are denying that statement. Your ability to contradict yourselves at times overwhelms even the credulity of one who has seen other administrations straddle all sides of a fence.

Mr. HERRELL. We have been consistent in our contention that the bulk of Federal support for higher education should be for student financial assistance. For example in fiscal year 1975, student financial assistance constituted nearly 90 percent of the higher education budget request. Most colleges and universities have established recruitment programs for veterans as well as other disadvantaged groups in our society and we have no reason to believe they will cease these efforts because Federal support for the veterans-cost-of-instruction program is terminated.

BASIC GRANT PROGRAM TRAINING CONTRACT

Mr. CONTE. Look at the program in the University of California at Irvine. They are beginning now to face and solve this problem because of the Veterans Cost of Instruction Office in the campus. I have a report here. I want to know whether that financial aid workshop contract which I am sure you are familiar with can be amended to include adequate coverage of veterans' financial aid problems.

Mr. VOIGT. Are you referring to the training contract we have recently let for the basic grant?

Mr. CONTE. Yes.

Mr. VOIGT. I am not sure whether it requires a contract change to begin with, Mr. Conte, but we are making all efforts to include in the training sessions all groups that deal with getting students enrolled in postsecondary education.

I think some effort is being made to include veterans groups there also.

I will doublecheck to make sure that this is done.

SPECIAL SERVICES TO VETERANS

Dr. SPEARMAN. I would be remiss if I did not also point out that the Office of Education in its talent search program, which includes some 100 projects scattered throughout the country, has made a very direct effort, successful effort, to identify and motivate veterans to pursue postsecondary education and to take advantage of the benefits available to them at both the precollege and college level.

Second, we established 12 educational opportunity centers at an average of about $250,000 each throughout the country last year. One of the primary objectives of these centers located in rural and urban areas has been the identification and motivation of veterans to take advantage of this.

Third, I think we should point out that there are 57 Upward Bound type veterans projects in the Office of Education supported through the special services efforts that are designed exclusively to provide precollege training for veterans. Finally, all of the special services programs, some 300 that are located throughout the country, provide supportive counseling, tutorial, and remedial services for veterans, so that all in all the total population we hope to have served by the close of this year represents some 50,000 students, approximately 10,000 of whom will be Vietnam veterans.

Mr. Conte. That is a little better track record than we had last year.

Dr. Spearman. It certainly is. I think Mr. Miller's point is that we are faced with the critical issue of whether an institutional aid program is the best way to increase available benefits and to motivate veterans to go or whether the kind of existing programs, in Talent Search, Upward Bound, and the educational opportunity centers, constitute the best mechanism. With the liberalization of the eligibility for the campus-based programs and the liberalization of veterans benefits, all of these things are now available to them.

Mr. Conte. I want to know how you are going to begin to fulfill your responsibilities for a Labor Department draft plan on the veterans provision of the Emergency Job Act. It shows little evidence of any HEW or OE contribution.

I would like to get a response to that.

Would you begin by sending me copies of the reports of the 40 outstanding veterans cost of instruction program reports so that they mav be used as examples for other projects?

I would find that useful.

RESPONSE TO VETERANS EDUCATIONAL NEEDS

Right now, would you tell me what thoughts you have in mind to deal with the veterans unemployment, education, and training needs?

Mr. Herrell. Mr. Conte, it will be necessary for us to coordinate with other parts of HEW to determine what action the Department is taking with the Department of Labor. A copy of the latest document relating to DHEW planning with the Department of Labor will be submitted as soon as it is available.

MINORITY ENROLLMENT IN HIGHER EDUCATION

Mr. Conte. Testimony during last year's hearings indicated that there was some difficulty in achieving adequate levels of minority enrollment at a postsecondary level. You stated that minority groups were underrepresented in virtually all types of postsecondary institutions.

What progress has been made in correcting this situation over the past year?

Dr. Phillips. Mr. Conte, I have to say in candor that the progress here has been less encouraging than we had hoped to be able to report at this time.

As a matter of fact, the latest statistics on enrollments among minority populations show a marginal decline particularly among blacks this year.

I suspect that one of the problems that has contributed here is the economic situation and the difficulties of getting the full costs of education together. Of course, one of tha things that we feel is most important is that we have the kind of funding available to meet the needs of the low-income and minority population so that we really can begin to attack this problem in a systematic way. In other words, part of the motivation that lies behind the full funding request in the basic grant program is to try to attack this problem better than we have been able to do thus far. I would not want to leave the impression that the Office of Education is not doing something. We have made special efforts in the training materials that have been developed for the basic educational opportunity grant program to make the materials that are used available in Spanish language as well as English.

We have tried to develop materials that are specifically geared to the interests and concerns of minorities in the development of those training materials.

Of course, as Dr. Spearman mentioned earlier, the major effort to sort of build the capacity to not only gain access to postsecondary education but also to succeed once entered into postsecondary education, we rely very heavily on the continuing work of the special services projects that Dr. Spearman is responsible for and which he reported upon earlier. I think you have identified a very fundamental problem with which we are continuing to concern ourselves and which I think we all have to watch carefully.

FEDERAL AID OPTIONS

Mr. CONTE. Now also back to last year's hearing, mention was made at those hearings of the Office of Education's $1.5 million report on the Commission on Financing Postsecondary Education. That report stated that institutions of higher education require support from all sectors, Federal, State, private, family, and student to remain functioning.

In the past several years you have recommended bolstering student aid at the expense of institutional aid as a preliminary Federal effort to maintain adequate postsecondary education in the country.

Each year, however, the financial pressures of postsecondary institutions have increased to the point that many especially private institutions are threatened with closure. What consideration has been given to other methods of Federal support?

Dr. BELL. We have weighed the whole matter of institutional aid and have talked about it considerably in HEW and also with OMB. We remain convinced that the student aid program is doing a considerable amount to help the institutions, notwithstanding their fiscal difficulties.

I acknowledge these difficulties and share your concern about them. I think the enrollments staying up as they are and actually gaining a little bit is attributable to a considerable extent to our student aid programs and our loan programs that make this available.

I should say, Mr. Conte, without belaboring the point, that at the present time we have not formulated all of the details of the administration's proposal on the Higher Education Act that is now up. But I think it would be safe to say that our prime concern is still going to be on student aid and providing equality of opportunity and emphasizing the replacing of those resources, almost $2 billion, hopefully leaving to the States and other resources the financing of the schools. So I do not anticipate an initiative on the part of the administration to get into institutional aid in any larger way than we are now, with our developing institutions program being the largest ones.

As I say that, I have to express my concern about the fiscal conditions of the institutions, particularly the private schools that are having a tough time at the present time.

Mr. CONTE. It is really a tough situation.

I don't know how you do this, but the Carnegie Institute recently recommended a program to equalize tuition costs for students as one means to limit the pressures on private institutions. Has this proposal been reviewed by your Office and do you think it would be effective?

Dr. BELL. Yes, sir. This is getting a lot of consideration in the deliberations now in some options papers we are looking at in anticipation for the position we will take on the new higher education bill.

I don't know just how we will come down on that yet because it has not been resolved. One of the options being weighed is some kind of a differential so that not only do we give access to college but we give some variation in choice for the low income students to have access to more costly schools, particularly the private ones.

FEDERAL PAYMENTS DELIVERY

Mr. CONTE. In 1973 Federal payments to the student aid funds were made in April. In 1974 delivery was delayed until May. Do you anticipate any improvement in delivery this year?

Mr. HERRELL. Mr. Conte, I am delighted you asked that question. Dr. Phillips will respond.

Dr. PHILLIPS. Mr. Conte, we were able to deliver the State percentages in the three campus based programs to the Congress this last weekend. All systems are in readiness to deliver the grant awards to all of the 4,000 participating institutions by the end of this month on the 31st of March.

Mr. CONTE. Very good.

Let me commend you on that.

Dr. PHILLIPS. Thank you.

Thank Dr. Spearman and his division because they are the ones doing the work.

WORK-STUDY REPORT

Mr. CONTE. The report of the Commissioner of Education in January last year stated the work-study program had problems with sex discrimination, conflicts of interest and displacing of regular employees. The testimony last year stated that no specific steps have been taken to correct the problems described in the report. I would like to know whether there has been any progress in this particular area.

Mr. HERRELL. I have been to every appropriation hearing and I did not recall the testimony on sex discrimination or any other type of discrimination in the college work-study program.

Mr. CONTE. This is a report of the Commissioner of Education.

Mr. HERRELL. On college work-study?

Mr. CONTE. Yes.

I will get it out. I wish I had it here. I will have my staff people dig it out and give it to you.

Mr. HERRELL. Fine, thank you.

GUARANTEED STUDENT LOAN PROGRAM PARTICIPATION

Mr. CONTE. Testimony last year indicated there were isolated pockets across the country where guaranteed student loans were not available.

You anticipated that new regulations simplifying the requirements would help this problem. To what extent has this been true?

Mr. YORK. I think the statement is still a true one. There are places within the country where lenders have been less than willing to participate in the program.

The ways we have been able to attack that are through the special allowance by having a continual interest rate for the past four quarters of 10 percent; the 7 percent provided by the legislation plus the 3 percent in the special allowance which makes it a little more attractive for lenders.

As the interest rates are going down, as they appear to be, we think this program becomes more attractive to lenders and in fact there will be more participation in these few pockets. I should point out that across the board even though there may be these individual situations, the volume of loans under the program is still increasing. It increased in 1975 over 1974 and we are projecting a further increase in 1976 of the actual numbers of loans being made, so that across the board there is a fairly sizable amount of money being made available by lenders.

Dr. BELL. We think with the change in the interest rate picture that maybe guaranteed student loans are going to be more attractive to lending institutions than they have been in the past.

When the prime rate was around 12 or 13 percent the banks had better options many times. My own view is that with that change we will probably see more interest by more institutions in the guaranteed student loan program. Hopefully they will get into these pockets where there has not been availability in the past.

Mr. YORK. Some of the internal changes we have made in the program have made the program more responsive to the lenders.

A year ago and prior to that we were not doing a very good job of getting interest payments out in a timely fashion or making payments on the claims for defaults.

That has been substantially improved over the past year. We are very current in making interest payments to the lenders and also paying the claims filed.

That also has an impact.

WORK-STUDY REPORT

Mr. CONTE. Let me go back to the report sent to Mr. Flood, our chairman, on January 16, 1974. It was signed by John Ottina, U.S. Commissioner of Education. It is entitled "Executive Summary of the College Work-Study Program." One page here says, "Men also hold more low-level positions while 50 percent of the women in the college work-study program hold clerical jobs." With few exceptions men were paid more than women even when both were employed in similar jobs. It indicates need for data and further research on the allotment formula for college work study.

Dr. PHILLIPS. I think that is a summary of an internal evaluation study. I think that we would perhaps like to submit a response to your question for the record, if that would be acceptable.

Mr. CONTE. All right.

[The information follows:]

EXECUTIVE SUMMARY OF THE COLLEGE WORK-STUDY PROGRAM

The executive summary is an evaluation study prepared under contract by the Bureau of Applied Social Research for the Office of Education. The study is a report of statistical findings. It was not designed to test an hypothesis that the institutions operate the program in a discriminatory manner, and it does not in fact test that hypothesis.

Discrimination on the basis of sex has been prohibited under program guidelines for the college work-study program at least since 1968, when the CWSP manual was issued. To the best of my knowledge the Office of Education has never received from any student a complaint of discrimination in employment under the CWSP, and we do not know of any institution which has been accused of operating its program in such a manner.

Our conclusion from these facts is that the statistical correlation observed by the Bureau of Applied Social Research must have an explanation other than the one advanced by the authors of that study, who had insufficient grounds for making their observation.

OTHER SOURCES OF STUDENT INCOME

Mr. CONTE. Your justification states that the student aid program, your recommendations will reach approximately 2 million students. Testimony last year indicated there are about 10½ million students in postsecondary education. And you say that has increased. What forms of assistance are available to 8½ million students not reached by these programs? Can you estimate how many students are covered by other forms of assistance?

Will you put that in the record?

Dr. BELL. Yes.

As you know, we did not use all our basic opportunity grant money. In addition the guaranteed student loan program is available. We can answer that more extensively.

[The information follows:]

PERCENTAGE DISTRIBUTION OF SOURCES OF STUDENT INCOME[1/]

Household Income Source of Student Income	Under $5000	$5000 7499	$7500 9999	$10,000 14,499	$15,000 24,999	Over $25,000
Family Assistance	31.0	30.8	32.0	37.2	44.3	63.7
Earnings	25.9	39.2	43.6	42.7	37.4	19.6
Savings	7.9	5.5	5.1	5.5	6.5	9.5
Employer Grants	0.5	0.2	0.1	0.2	0.7	0.2
Veterans Administration	7.9	8.3	8.0	5.1	3.0	1.0
Public Assistance	3.4	0.2	-	-	-	-
Social Security	5.6	2.6	1.0	1.0	0.4	0.5
Personal Loan	1.1	1.0	0.7	0.7	0.9	0.7
Other Sources	4.6	4.3	3.2	2.3	2.4	1.6
Subtotal: Non-OE sources	85.9	92.1	93.7	94.7	95.6	96.8
OE Assistance	14.1	7.9	6.3	5.3	4.4	3.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

[1/] For all students in Postsecondary Education, October 1973, from U. S. Census Bureau Data.

GUARANTEED STUDENT LOAN PROGRAM SPECIAL ALLOWANCE

Mr. CONTE. In your statement this morning you anticipate the maximum interest allowance rate of 3 percent will be necessary for the guaranteed student loan program through the end of fiscal 1976. Does this take into account the overall decline in the interest rates over the past 2 or 3 months?

Mr. YORK. No, sir, it does not.

At the point this estimate was prepared we were experiencing very high interest rates throughout the economy and experienced a situation where we had a 3 percent special allowance in effect for a number of months. We did not at that point forecast a downturn in the interest rates. It is possible that we will have a lower than 3 percent special allowance paid during a portion of 1976, assuming that the current trend continues.

POSTSECONDARY EDUCATION ATTRITION RATES

Mr. CONTE. Can you estimate for us what percent of the students receiving some type of Federal assistance actually complete their postsecondary education?

Dr. PHILLIPS. I do not think we have complete data now comparing attrition rates among those who receive aid and those who do not.

ABUSES IN REPORTING FINANCIAL NEED

Mr. CONTE. What steps has the Office of Education taken to correct abuses in the reporting of financial need under student assistance programs?

You may answer that for the record.

[The information follows:]

BASIC GRANT PROGRAM FINANCIAL REPORTING

The data submitted by students and their parents on the Basic Grant application is edited and reviewed in a series of manual and automated procedures. The manual procedures basically apply to clarifying the information entered by the student on the application, especially as to dollar amounts. The automated procedures provide a complex and thorough method of checking the quality, logic, and consistency of the data provided.

Essentially the automated review procedures works as follows. All data on the form is keypunched and placed in the applicant's computer record. A series of checks is then run on that data. If the application is properly completed and all data is consistent, the applicant will simply receive the results of the processing of the application. However, if data is missing or appears to be inconsistent with other data provided, the applicant will receive specific printed messages on his student eligibility report regarding that data. Essentially, these messages fall into three categories. The first regards instances where the applicant left out some data, but given other information elsewhere on which to base a logical assumption regarding the missing data. For instance, if the applicant left the question on marital status blank but indicated his household size was one, we assume he is single. In every case that we make an assumption, we tell the application we did so and indicate that if the assumption is incorrect, his report is void and that he should submit the correct information

The second category of messages involve cases where the data seems to indicate the applicant made an error. For instance, if an applicant entered noticeably different numbers for household size and number of tax exemptions claimed, a warning message would appear on his report in this regard. The applicant is then responsible for making sure that the proper information has indeed been provided.

The third and final category of messages involve instances where the applicant has failed to provide critical information which is required to calculate his eligibility or has provided information which has a very good chance of being incorrect. This would occur if the applicant indicated no income received by his family in the prior year, for instance. In these cases the applicant is basically rejected, and the applicant receives a report indicating that specific additional information is necessary before his application can be processed.

It should be noted that in all cases the messages are printed on the student eligibility report that is to be submitted by the student to the school in which he is enrolled for payment of his basic grant award. Therefore, the financial aid officer, by virtue of seeing these messages on the student's report, acts as an additional check point in reviewing the quality and validity of information reported on the basic grant application.

An additional check has been added for the 1975–76 academic year. If a student submits more than one application during the year, each subsequent application is recorded on the first line of printed messages on the applicant's student eligibility report. Thus, if the student has submitted three different applications, the third report would have a message stating clearly that it is the result of the third application for that student. More than four applications will not be accepted and the student will be told to contact our processing agency if he is having special problems in the proper completion of his application.

In addition to this procedure, each institution will be receiving a monthly cumulative roster of all students who indicated on their basic grant application that they plan to attend that institution. Included on the roster is an item that will report the record or transaction number of each applicant. Thus, if a student has submitted three applications and two corrections, the institution's roster will indicate that the student has five records on file and hence has received five student eligibility reports. It has been our experience that many institutions will carefully review this information to insure that their students are submitting the correct information and correct report for their basic grant award.

Finally, it should be noted that the basic grant program monitors the frequency with which various messages and problems are occurring. If there appear to be more than an acceptable number of problems in a specific area, the automated editing procedures will be modified so as to insure that the proper quality of data is received. In addition, it is possible to sort our certain types of problem applicants for further review—for instance, applicants reporting no income, or submitting of multiple applications.

In summary, the manual and machine edits are essentially designed to detect obvious inconsistencies and errors on the part of the applicant, advise him of the existence of such discrepancies, and permit an opportunity for correction. Obviously, deliberate misrepresentation on the part of the applicant may not necessarily be detected by way of these edits. For this reason, the basic grant program is in the process to award a contract in support of program efforts to validate student reported data. The objectives of this validation effort are as follows:

1. Validation of Individual Applicants.—Validation activities will be initiated by requesting individual applicants to provide supporting documentation to verify the information reported on his application form. In the event that discrepancies are confirmed, the applicant's application will be reprocessed and/or procedures for the recovery of any overpayments which the student has already received will be initiated. Applicants will be selected for followup both on the basis of institutional referrals and on the basis of special selection from the basic grant applicant data base in accordance with preestablished criteria.

In view of the sensitivity and complexity of any such validation activity, considerable priority will be given during this initial effort to the development, testing, and refinement of appropriate and acceptable validation procedures which are sensitive to the individual's rights to privacy and confidentiality, while at the same time, insuring an effective mechanism to control false reporting.

2. Statistical Analysis.—In order to define the degree of validation activities which may be required in support of the proper management of the program, a statistical comparison between basic grant reported data and IRS reported data will be conducted for a representative sample of applicants. The overall purpose of this activity is to determine the extent to which income information reported on the basic grant form is similar to or at variance with IRS income tax returns for various categories of applicants. This data will permit an assessment as to the general accuracy of income data reported to the Office of Education, and on the basis of specific discernable trends, review basic grant program procedures to maintain the accuracy of reported income data at acceptable levels.

In this context, it should be noted that the basic grant program does not have any evidence of significant misreporting or program abuse. In fact, based on a small study conducted by the University of Wisconsin, during May of 1974, it appears that data reported to the basic grant program was more valid than information reported on other need analysis forms. Specifically, the institutions requested a confirmation from parents who reported different income amounts on various need analysis forms as to which reported income was correct. Based on the replies received in response to the audit letter, parents almost in all cases indicated that data reported on the basic grant form is correct and information on other forms is incorrect. Obviously, a number of reasons may account for such discrepancies. For example, in some cases the information reported the nonbasic grant forms was an estimate made prior to the end of the tax year. Also, there were differences in the specificity of instructions, that is the basic grant form asks that income data be taken from a specific line of the Federal tax return, whereas the other need analysis form merely asks for income for the year involved.

Obviously, isolated studies of this type are not sufficient to fully document the validity of student reported data under the basic grant program. It is for this reason that the basic grant program has attempted to prevent any potential program abuse by engaging in a set of coordinated activities designed to maintain an effectively managed program. Specifically, the program maintains high quality controls during the initial application processing stage to detect and correct obvious data inconsistencies and omissions. Second, the program is preparing to follow up individual applicants to verify income data. It is expected that this process will be fully implemented in sufficient time to validate applicants enrolling in the 1975–76 academic year. Third, the program will conduct a statistical analysis for a representative sample of applicants to determine the scope and nature of possible misreporting to which future validation efforts must be addressed. As such, the maintenance of the integrity of the applicant reported data continues to be major management concern to insure that grants are awarded on an equitable basis.

Mr. CONTE. Thank you, Mr. Chairman.

TALENT SEARCH

Mr. NATCHER. In your justifications you refer to talent search under special programs. In addition to veterans, what do you mean by talent search?

Dr. SPEARMAN. Mr. Natcher, this program was authorized in 1965 and is designed to identify young people of financial or cultural need, and encourage them to pursue postsecondary education. It also calls for the establishment of counseling activities as well as the identification and recruitment of dropouts from secondary and postsecondary education and encourage them to resume educational activties.

At the present time, 125,000 students are served in 120 projects throughout the country. Not only are the students identified but information on career opportunities and financial aid availability is disseminated and shared with them both on a 1-to-1 basis and in group sessions by project counselors meeting with students at schools on the project site.

These projects are located in both rural and urban parts of the United States with about 56 percent funded in urban areas, and about 44 percent located in rural areas.

The primary objective is to identify and attract young people of low income or culturally disadvantaged backgrounds and encourage them to work toward postsecondary educational goals. The same is true for dropouts.

I think an important part of the history of the program is that it came into being as a result of the educational opportunity grants program. Up to that time, most of the recipients of Federal student aid or any kind of aid were largely students from upper income categories.

With the implementation of the educational opportunity grants program a mechanism was needed to assist institutions of postsecondary education and the Office of Education in identifying those students that had been largely neglected in postsecondary educational recruitment. So talent search was legislated. It has continued to be, in our opinion, one of the more successful mechanisms for the identification and recruitment of students from low-income backgrounds for postsecondary education available in the country.

Mr. Natcher. Mr. Obey.

Mr. Obey. Thank you, Mr. Chairman.

FULL FUNDING OF BASIC GRANT PROGRAM

What is the total amount that you estimate it will cost to fully fund BOG's?

Mr. Herrell. $1,050 million.

Mr. Obey. Based on an eligibility of how many students?

Mr. Herrell. 1,323,600 students.

Mr. Obey. My office was told this morning that the College Board people estimate that your estimate of what it would cost to fully fund BOG's might be as much as $300 million low.

Mr. Herrell. It is my understanding that the College Board indicated that $1,300 million would be the amount necessary to fully fund the program.

As indicated earlier, we have reexamined our estimates. We believe that the $1,050 million is sufficient to achieve full entitlement.

I might ask Mr. Voigt to give you some additional information.

Mr. Voigt. I think by and large, Mr. Obey, the reason for the actual decrease in the total funding estimate for the basic grant program is due to the fact that we are now getting good program information on recipients and their backgrounds, financial situations, and family sizes, as a result of this year's operation of the program and are consequently in a better position to accurately forecast the participation rate, which is lower than our previous estimate.

The original estimates, of course, were based on information collected on national samples and in many cases based on information that one simply had to guess at, for example, income distribution of students in proprietary and vocational schools.

ECONOMIC FACTORS INFLUENCING BOG PARTICIPATION

Mr. Obey. One would think that if the economy is going to pot as fast as it has been, you would have an increasing number of students eligible—and for higher amounts.

You would think logically that if anything, your estimates ought to go up rather than down.

Mr. Voigt. We have taken, to the extent possible, the economy into account. Of course, we are talking about estimates of activities almost 2 years from now.

Dr. Bell. I might point out, Mr. Obey, that not only have the college entrance examination board estimates been high but ours have been too high as evidenced by the fact that we have $135 million surplus this year in BOG's. So I would doubt very much if it would take $1.3 billion to fund BOG's, even with the economic situation as it is.

Mr. Obey. You indicated this morning in response to the chairman—and I think these are almost your exact words—that you were "worried about the economy and what it would do to your capacity to estimate for next year in the BOG's program." Wouldn't that at least in a small way argue against the basic thrust of your recommendations in putting almost all into the BOG basket?

Mr. Bell. My point was that it has been hard to estimate expenditures in this program, and now that another unknown factor is involved, in the deep recession which we have now, it will be even more difficult. Nevertheless, in view of this year's experience, the effort we have made, advertising the program, contracting higns school counselors and so forth, even with this extensive effort going on, considering the demand that has been there, I really think that $1,300,000,000 is just beyond what we likely would utilize.

Mr. Obey. My point is simply that if you, yourself, indicate that you have concern about what the economy is going to do to your ability to estimate what a kid ought to get and how much you will have spilling over to the next year, doesn't that in a sense argue for the continuation of SEOG's so you can back and fill at the institutional level?

IMPACT OF STATE STUDENT INCENTIVE GRANTS

Dr. Bell. I think we can do it more effectively with BOG's, especially if we fully fund it.

Dr. Phillips. We might also point out that there is a significant backing and filling element introduced into the budget recommendations this year. That is the $44 million recommendation for the State student incentive grant program.

Mr. Obey. Which is up from $20 million. That seems pretty small.

Dr. Phillips. But that doubles in terms of a 50-50 State match so you have $88 million.

Mr. Obey. It is still a lot smaller than SEOG's.

Dr. Phillips. Except when you take into account the increase in the basic grant availability proposed under this budget. If you take a fully-funded BEOG program plus $44 million for SSIG compared with BEOG at $660 million plus current SEOG and SSIG appropriations, you are coming out with a less complicated series of programs and a somewhat higher overall level.

Mr. Obey. I understand it is less complicated but I often worry about things that are less complicated because, given the many differences in individual situations and given the speed with which facts of life change for individual American families, simplified formulae may not really be sophisticated enough to fill the bill, are they?

WORK-STUDY PROGRAM

Dr. Phillips. I think you are making an important point and one we have tried to recognize in our recommendation of $250 million for a work study program which is a campus-based program.

Mr. Obey. But you are cutting work study from last year. You are estimating on page 31 that the number of kids who will be served by work study will decline from 624,000 to 520,000.

Dr. Phillips. That is correct. We have to think about each of these recommendations in the context of an overall program of delivering student aid effectively.

What we are suggesting is full funding of basic grants which is sort of the first half, if you will, and trying to have a kind of balanced approach to the other half which involves the availability of State student incentive grant moneys on top of an expanding State effort in this area, some work study and the revolving moneys from the NDSL accounts which gradually are growing and maturing plus the expanded availability of guaranteed loans.

Mr. Obey. I randomly checked student aid budget figures for six States last week including my own.

That gradually expanding effort has come to an abrupt halt of those six States reflect what is happening in other parts of the country. I know it certainly has in my own State, given what their budget problems are.

Dr. Bell. I think the States are finding the same pressures on their bugeting as we are finding in ours.

Mr. Obey. There is no question.

I have been talking to the people on the authorizing committee. If there is any one program they seem to be very enthusiastic about, it is work study.

What do you think are the reasons for that?

Dr. Phillips. The reasons for their enthusiasm?

Mr. Obey. Yes.

Dr. Phillips. I expect it probably has a great deal to do with the sort of traditional support for the work ethic idea of students working for their student assistance, and not encumbering themselves with loans or getting what sometimes is described as a free ride.

Dr. Bell. When we met with them proposing the BOG's be carried over into next year, they countered with a concept of putting this in work study. So I know what their enthusiasm is for it.

DEFAULT RATE

Mr. Obey. Mr. Flood may have asked these questions before I came in. What is the default rate on the guaranteed student loan?

Mr. York. The default rate on the Federal program projected for 1976 is 19 percent which is up 1 percent. However, I think it is important to make another point related to that. In 1976 for the first time we are projecting a decrease in the actual loss rate to the Federal Government from approximately 12 percent down to 11 percent due to our much increased collection efforts. So although the default rate, which relates to the past, basically is still going up slightly and our ability to deal with it and make the eventual loss rate to the Government less has substantially increased over the last year.

Dr. Bell. I think we should say for the record, again getting back to the comment I made about the changes in the economy which are making it hard for us to make our estimates, we may find that the economic situation may affect that default rate more than we anticipate it will. The GAO projected the default rate would rise to 24 percent.

I do not think they allowed for the intervention that we have had in improving the program and managing it more tightly and the regulations we have promulgated and the legislation we have projected.

The thing I want to emphasize, because we will be before you a year from now, is that this economy may make that prediction of Mr. York's a tough one to live by. I am trying to weasel a little on that.

Mr. Obey. I don't blame you.

UNIVERSITY COMMUNITY SERVICES

Another question: One program that I frankly am not that well informed on is this university community services program. I must say that without knowing much about the specifics—although I do know a couple of communities in my district have said that those programs have been very helpful in the small rural communities where they think they have made some impact—I am just impressed philosophically that that program ought to be a state obligation more than a Federal one.

I wonder if you could explain to me just for my own education and give me a couple of specific examples of how these programs have been used in urban versus rural areas.

Mr. **Herrell**. I will ask Dr. Leestma who has that program under his jurisdiction to answer your question.

Before he does, I might say that this program is a State formula grant program with a State matching requirement. In addition to that, I want to mention that 5 percent of the Federal grant or $25,000, whichever is greater, may be used by the State for administrative purposes.

I might add, also, that the National Advisory Council on Extension and Continuing Education will submit a report soon on the program.

Dr. **Leestma**. To ask me to precede a presidential report is to ask a good bit.

Mr. **Obey**. I do not want to take a lot of time on this because I have a number of other questions.

Mr. **Leestma**. I wonder if I may submit those for the record because we have this mass of data coming in.

I think we can do more justice to your question if we can submit it for the record.

[The information follows:]

University Community Service Program

Used in Urban Versus Rural Areas

The basic mission of the University Community Service Program is to implement the concept of education as a continuing, life-long and dynamic process through which adults can lead more meaningful and useful lives and through which concerned communities can improve their functioning.

The legislation places an emphasis on educational assistance in urban areas, thus the States reported in Fiscal Year 1973 that eighty-four percent of the Federal allocation was used in urban-oriented projects and sixteen percent devoted to rural-oriented projects.

Following are representative examples of higher education contributions to community problem solving through specially designed educational activities.

Urban-oriented projects

1. PICO-UNION NEIGHBORHOOD COUNCIL (California)

The Pico-Union neighborhood of Los Angeles is a mixed residential/commerical area with a population of about 11,000 persons. Sixty percent of the residents are Spanish-speaking and 30 percent are Black. This poverty pocket was designated by the Department of Housing and Urban Development as an urban renewal area. The collective judgment was that the area's residents had little civic awareness and possessed no viable organizational structure to deal effectively with community development and physical renewal.

With the assistance of a Title I grant, The University of California at Los Angeles negotiated a teaching/consultation agreement with the neighborhood council to aid in (1) improving the organizational strength of the council (2) initiating a broad community education program, and (3) providing technical assistance in community organization, economic development, housing, planning and education. The project helped to generate responsible community involvement and was instrumental in securing non-government funding for the council. More than 900 citizens of the area learned how to define problems, identify resources, analyze alternative courses of action and implement plans. University faculty acted as resources persons for citizen task forces and helped to build a more sophisticated community leadership group. Basic to the educational endeavor was the University's decision not to become a social service agency nor to duplicate the functions of existing agencies. With the faculty in a teacher-consultant role, the citizens acquired new knowledge for better decision making and developed the skills necessary for maintaining a valid community organization.

The project was a success. Urban renewal is progressing with the active participation of the community's residents. The results also indicate that in-depth education of a community helps public and private agencies to view such low-income minority as less threatening than in cases where higher continuing education resources are not employed. The project has demonstrated the ability of a community-through education-to responsibly assume control of many aspects of its governance. Although Federal support for this 30-month project has ended, university resources will continue to be employed to assist a non-profit community corporation in sponsoring low to moderate income housing and in designing vest-pocket parks.

UCLA, having reached the specific objective of this project, has moved to apply the experience gained in Pico-Union to the community of Venice.

2. SMALL BUSINESS MANAGEMENT
(Missouri)

Minority businessmen lacked adquate educational background to operate their businesses successfully in a depressed predominantly Black area of St. Louis. The project was designed to provide business and financial training for minority business persons; to provide economic development training for neighborhood organizations; and to provide leadership and interpersonal relations training for community organizations in the West central city area of St. Louis. The area was a corridor of contiguous residential and commercial neighborhoods.

Washington University, St. Louis, developed this projected directed at 300 to 500 residents of the community who were affected by and could help change the depressed economic conditions of the community. They included members of neighborhood corporations and minority business persons. Courses were offered to the business persons in financial record keeping, marketing, sales, advertising, and other aspects of running a business. Courses, workshops, and conferences were held for the neighborhood corporations with the professional assistance of the School of Business Administration, the Small Business Administration, and St. Louis business persons. The assumption behind the project was that economic re-vitalization of the community was key to its improvement. This project was conceived as an initial step in that direction.

The project with $32,000 in Federal funds and $16,000 in local funds fostered a new relationship between the University and the community. Faculty members continue to serve as consultants. Business administration students formed Business Advisory Teams to serve as on site consultants for businesses or economic development projects. Subsequent university efforts, supported by Title I, HEA, have been aimed at the same community groups having housing and employment problems.

Projects of this nature, with local variations, are being conducted in tweleve additional states: Alabama, Connecticut, Michigan, Kansas, Nebraska, Tennessee, New Jersey, Illinois, Indiana, Mississippi, North Carolina and Ohio. More than 3,000 small business owners and operators are engaged in these programs to enhance their knowledge and skills.

3. WEST SIDE ACTION PLAN
(Wisconsin)

Community groups on the West Side of Milwaukee to join together and develop their skills to deal with the physical deterioration of the community, declining public services, and the withdrawals of financial resources from the area. The project was designed to provide leadership training for community leaders; to develop a community education program on the causes of the area's problems; to develop a community wide organization to combat deterioration of the area; and to make an immediate, positive impact on problems in order to combat apathy among community residents.

Concordia College, with the cooperation of University of Wisconsin Extension organized the project at the request of a community group. The 750 participants were chosen from grass roots organizations through informal half-hour interviews with leaders of every church, community group, block club, social club, and labor union in the community. Community representatives served on both the advisory and planning committees. Leadership came from the college and the community. The steering committee was made up of leadership of the West Side Action Coalition, an independent, nonprofit organization which formed a part of the project.

The educational program was built around the problems the community leaders wanted to solve. Training sessions took the form of neighborhood meetings, which allowed participants to develop their skill in handling meetings. Leaders were first trained in action committees to help them gain knowledge about specific problems. They were then trained in skills needed to form the community wide organization. The third phase assisted the leaders in developing skills required to make the organization self-supporting and to insure its continued existence.

Community leaders learned to create an organization that would enable them to focus on and resolve problems facing the community. The West Side Action Coalition developed a solid organizational structure within the community.

The coalition has been able to assist the business community and government leaders in providing better service to the community. For example, the over-assessment of West Side properties had prevented homeowners from remodeling their homes. The coalition aided in equalizing assessments throughout the city. A coalition campaign has resulted in millions of dollars in loans to community residents who wanted to buy or repair homes. Legislation is being proposed to prevent designating areas of the city as "no-loan areas."

With $43,000 in Federal funds and matched by $24,000 in institutional funds, community residents are turning from apathy toward a feeling that their problems can be solved. Young families have been buying homes in the area, reducing the trend toward absentee ownership.

The project was Concordia College's first community service program. The College has since become more involved in community projects. The college's field work program places more students in West Side agencies and schools that have asked for help. Social science students focus their research on community identified problems. The college currently cooperates with community groups in a community video center, and a recreational program for neighborhood children.

Rural-oriented projects

1. A COMMUNITY COUNCIL FOR LOCAL DEVELOPMENT
(Arizona)

Ganado, an isolated Navajo Indian community in Arizona, lacked such basic public services as fire protection, police and security protection, garbage collection, and ambulance service. The community had no mechanism for developing or planning programs to deal with these problems.

Through the initiative of personnel at the nearby College of Ganado, a project was established to identify important community problems, indicate problem-solving resources, and develop solutions to problems. A major concern of the project was the creation of a Cooperative Community Council for Local Development. The Council of 28 members consisted of leaders of the local Navajo Tribal Chapter, the community of Ganado, the Ganado public school system, the Bureau of Indian Affairs, and other important local agencies.

Through a series of workshops and seminars, the problems of the community were identified and strategies were agreed upon for developing and implementing solutions to community problems. These planning and action sessions were broadly representative of the community. They included local Navajo leaders, park rangers, ministers, and college faculty. Ganado College was closely associated with the Council in planning, developing, and carrying out the project. Nine thousand dollars was made available from Title I HEA funds and the College contributed $4,600 from it own resources.

Through the Community Council, such services as a sewage development project, a police system, a day-care center, a town dump, and ambulance service, and a volunteer fire department were established.

The College of Canado, as a result of this first venture into community service, has developed on-going relations with the local Navajo community. The College now has a permanent representative on the Community Council.

2. RESOURCE CONSERVATION AND DEVELOPMENT
(Kansas)

The many governmental agencies in a seven-county area of South Central Kansas lacked a single organization with the staff capabilities to guide development activities in the area. A Resource Conservation and Development Project was established by Kansas State University in cooperation with Pratt Community College. The project would provide help in training officials and other government leaders in understanding the problems of development. The project's goal was to service this need by equiping local community leaders with the knowledge required to undertake their own development projects and to understand local problems within a regional context.

A series of regional meetings were held to provide local leaders with information on home rule, local taxation, government efficiency, and related subjects. The regional meetings were followed by local meetings dealing with the same subject matter. The 77 participants included city and county officials and interested citizens. The program was led by faculty members from Kansas State University, Wichita State University, the University of Kansas, and Pratt Community College, as well as representatives from the League of Kansas Municipalipies and the Wichita Coalitiaon Planning Program. Planning for the project was carried out by the faculty members and representatives of the Resource Conservation and Development Project.

The educational program focused on coordination and planning for officials from the seven counties served by the project. Government leaders created two regional planning commissions and committed themselves to provide the money to support further planning.

Instruction was offered about the factors which influence development opportunities, the organization and functions of regional planning commissions. Technical assistance was provided in developing initial work programs of the planning commissions and in meeting requirements for participation in Federal programs of economic development.

During the project the Chikaskia and Indian Hills Regional Planning Commissions were organized and funded. The State Department of Economic Development designated the commissions as the Area Planning Organizations for participation in Federal programs. The project also published four booklets entitled "Implementation of Planning." These materials have been useful to other areas in Kansas.

3. TRAINING OF GERIATIC AIDES
(Maine)

The St. John Valley in rural northern Maine is socially bicultural (98% Franco-Americans), economically impoverished, and in need of improved care for the large elderly population. There is a potential for employment in institutions which offer care for the older citizen but training opportunities do not exist within a reasonable geographical distance.

The University of Maine at Fort Kent is understaking this project in cooperation with the Aroostook Regional Task Forece on Aging and the Aroostook Mental Health Clinic. Eleven thousand Federal dollars matched with eight thousand University dollars are being used to provide field training and classroom learning.

The project is designed to (1) provide marketable skills for 25 Franco-American adults with training as geriatric aides, (2) upgrade the skills of 14 nutrition aides and 13 home maker aides who serve the elderly.

The project is scheduled for completion in June of 1975.

Dr. **Bell.** We agree with you. We feel this is a State and local institutional responsibility.

Mr. **Obey.** My point is I am not sure I am informed enough on the program to have an intelligent opinion on it. But my initial inclination would seem to go that way.

LANGUAGE TRAINING AND AREA STUDIES

Let me ask you on pages 52 and 53 of your justifications you talk about language training and area studies. Can you tell me what your records show in terms of where the students who had those fellowships have gone in the last 6, 7, or 8 years.

Mr. **Herrell.** I am sure that Dr. Leestma has been waiting for this question. May I ask him to respond?

Dr. **Leestma.** It is difficult, sir, to restrain one's enthusiasm on a question like that. The fact remains that the NDFL fellowship program under this appropriation is one of the great success stories of the Office of Education over the years and indeed I would say of Federal aid to higher education.

Something like 19,000 fellowships that have been given out under this program since it began in 1959 have literally created the profession, if one looks at it in the round.

Another way of summarizing that is to say that probably the majority of people who now function as specialists in foreign language and area studies in the non-Western world have been fellowship holders at some point over this 15-year period.

DISTRIBUTION OF FORMER FELLOWS

Mr. **Obey.** Could you answer this question for me? Approximately what numbers are now faculty, what numbers have gone into government in those subject areas, what numbers have gone with businesses who have dealings with those portions of the world covered under that program and what portion are lost souls like I am who strayed from the field.

Dr. **Leestma.** On the contrary, we see you as having risen to an even more important position.

It is a difficult thing to parse in a single sentence. It is a moving target and you have a cumulative summary.

In round numbers it looks something like this: If you deal with the most highly specialized people who graduated from the program, people who have taken the doctorate, you get different distributions than when you look at people with master's degrees, bachelor's degrees or with just some exposure to the area.

I would like to concentrate on the doctorate level because it is the easiest to get a handle on in this time frame.

Something like 80 percent of the people who have taken doctorates under the program have moved into career lines in higher education. Most of them are teaching in their field of specialty. Some have moved into administration, et cetera.

Then you have the percentage that goes into Government service. That percentage is somewhere on the order of about 4 or 5 percent.

Remember, we are talking about people with doctorates. There is a much larger manpower pool out there with master's degrees, et cetera, and the numbers vary.

You get a smaller percentage that have gone into business because as a general proposition private business does not hire people with Ph. D.'s at that level of specialty.

The remainder of the group is distributed in a category you could only call "Other."

Some of them are in tremendously strategic positions in the "other" category. For example, the managing editor of the Philadelphia Bulletin is a Ph. D. in Japanese studies. That permits a major newspaper in the eastern seaboard to present an interpretation of Japan to its readers on a continuing basis, to devote more informed space than one normally gets in most U.S. newspapers.

Dr. BELL. I would like to say for the record, Mr. Obey, that as you well know, the administration is cutting this program. As Dr. Leestma sings its praises since he has done an excellent job in managing it, we think we have created a good base and we do not need the level of effort in the future as we have had in the past in this program.

Mr. OBEY. I know you feel that way. I think there are a lot of people who disagree, given the additional involvement we are supposed to be having in a good many places.

AFRICAN STUDIES

On African studies, what has been the growth picture.

Dr. LEESTMA. That is a little tough to answer in that form. In this context we would normally use the phrase African studies to mean the study of the languages and cultures of Africa. It sometimes gets confused with what is sometimes called Afro-American studies.

Mr. OBEY. I understand.

That is not what I am talking about.

Dr. LEESTMA. I would say that African studies has held up more or less as well as others.

I don't mean to fuzz the answer but it is very difficult to get comparisons because you are never dealing with fully comparable categories here, but in terms of present overriding foreign policy interests governmentwide it seems that more attention naturally is being paid to the Middle East, Soviet Union, Eastern Europe and East Asia.

Mr. OBEY. What number of fellowships have been given to people in African studies over the last 8 years.

Dr. LEESTMA. If you will give me a second, I will give you that figure and be glad to compare it for you with other areas.

I will try to find these figures for you.

Do you have another question to ask while I am searching?

Mr. OBEY. Why don't you supply those figures for the record.

Dr. LEESTMA. I will be glad to.

Mr. OBEY. I will be surprised if it increased very substantially in the last 3 years.

Dr. LEESTMA. It has not increased.

Mr. OBEY. A Member was talking to me about just yesterday on the floor. He indicated that with what is happening in Cambodia and Vietnam he expects that this country is going to have a very low level of involvement with most of the Asian world over the next decade and that it is an open question right now whether we are going to be washing out Africa or not.

It seems to me that to wash it out as I think a lot of people feel may happen just because of the incredible complexity of the situation over there is definitely not in our own interests because of the potential we have with Nigeria for oil supply for example.

INTERNATIONAL EDUCATION PROGRAM PHILOSOPHY

Dr. Leestma. Let me respond to that if I may. I think it is very important that the committee understand the philosophy behind this program as distinct from other international programs that deal with international affairs. I think the committee does understand it but I will underline it.

This program, unlike a lot of others, does not endeavor to shift with everchanging policy on the international scene. Those things are taken into account but fundamentally the purpose of this program over time has been to build a continuing capability in American higher education to deal with the needs of education, Government, and business in foreign language, area studies, and world affairs with particular emphasis on the non-Western world. That means that as you look back over time, you will see, for example, during the period when the United States did not officially recognize Communist China, this program was systematically investing in the development of a manpower pool of new knowledge about China through research, the development of instructional materials to teach about China, whether language or otherwise, and methodology on teaching materials.

Mr. Obey. That is pretty important after we gutted our last generation of experts on China.

Dr. Leestma. It means when the policy shifted and China was a major priority on the official national agenda there was a group of well trained people in place, ready to help implement that policy.

AFRICAN STUDIES PROGRAM DATA

With respect to Africa, I have the figures if you would like to hear them.

Last year, from the fiscal 1974 appropriation we made 831 fellowship awards for study in the United States, 85 of which went for African studies. That figure of about 10 percent has remained more or less stable.

Mr. Obey. Would that have been true 8 years ago?

Dr. Leestma. I will give you the last 7 or 8 years.

Going back to 1969, it runs 10.3 percent; in 1970, 9.6 percent; in 1971, 9.6 percent; in 1972, 12 percent.

Mr. Obey. The point is there has been no rise.

Dr. Leestma. It is more or less a level curve.

SUFFICIENCY OF AREA STUDIES SPECIALISTS

Mr. Obey. In which areas covered by the program do we now have a sufficient number of experts?

Dr. Leestma. That is a question that is very difficult to deal with. If one begins from the premise that the major consumer of the highly specialized manpower produced by this program is higher education and then you take a look at the distribution of specialists in higher education by world area, language proficiency, academic discipline, et cetera, you find some uneven profiles, world area by world area.

One could say in a number of areas we probably have enough and the capacity for self-sustaining growth is there but there are other areas where that is not the case.

What we have been doing with the fellowship program is endeavoring to refocus it as good data become available on those areas of critical need remaining.

Mr. Obey. I would like to know which areas you think we now have sufficient base established to cease worrying about it.

Dr. Leestma. You know the nature of the academic world. You know that once you get a sufficient core of specialists in place in a discipline then they begin to reproduce themselves. It takes a certain minimum critical mass before that happens. There also is the very important dimension of job opportunities. We watch that very closely in this sort of a job market over time.

Putting those two together, we would be prepared to respond to you for the record if we may because it is hard to summarize on the spur of the moment when you consider all the variables involved.

Mr. Obey. I would like to know both of those ends.

[The information follows:]

The largest number of existing specialists highly qualified by language and residence when categorized by world area are specialists in Latin America and East Asia; the smallest numbers are for Africa and Southeast Asia. (In this analysis, the criteria for defining the language/residence standards for a highly qualified specialist would include at least two separate field trips to the foreign country of specialty, one since 1964, with a total residence period of 3 or more years and the ability to read, write, and speak at least one language of the country easily.)

We are continuing to progressively refine efforts to target available fellowship opportunities on the areas of greatest need while minimizing as best we can the disruption of study programs of students already in the academic pipeline.

Following is a list of fellowship priority fields for the current academic year.

NDFL GRADUATE FELLOWSHIP PRIORITIES, FOR 1974–75

Africa: Economics, history, humanities, linguistics, literature, sociology—languages other than Swahili.

East Asia: Anthropology, economics, geography, sociology.

East Europe: Anthropology, demography, geography, humanities, political science, sociology—languages other than Russian.

Latin America: Humanities, sociology, Portuguese, Latin American Indian languages.

Middle East: Anthropology, demography, economics, geography, political science, sociology—language other than Hebrew.

South Asia: Anthropology, history, linguistics, literature.

Southeast Asia: Demography, economics, history, humanities, linguistics, literature, sociology.

I know Mr. Conte asked you a number of questions about it, but I think I have a somewhat different view than he has.

VETERANS' PROGRAMS

Maybe while I was going through my notes you answered this for Mr. Conte, and if you did previously, I apologize. But I will ask you again. How does this veterans' cost of instruction program differ from the VA program?

Mr. Bell. This program provides counseling and assistance to the vets in getting into college and in enrollment in college and this sort of thing. The VA program overlaps that to some extent but it goes beyond and provides all the support that, of course, you are familiar with.

But this program is limited to that aspect of it. It is not a direct assistance to the program in a way that helps the veteran with expenses.

Mr. Obey. How much overlap is there? Are we justified in having it?

Ms. Beebe. The VA program also provides for a counselor to be established on college campuses and, to the extent that we have a program operating in that institution under our program, it would duplicate with the VA counselor on the same campus. The counselor supported by VA has, in general, the same responsibilities for counseling the veteran on that campus.

Mr. Obey. What does this program do that the VA program does not do?

Dr. Spearman. The veterans' cost of instruction program essentially has five components that each institution must meet in order to participate in the program.

First, it must establish a full-time office for the identification and recruitment of veterans; two, it must establish a program of counseling; three, an outreach foundation; four, tutorial assistance; and five, a mechanism for recruitment.

The program by virtue of that definition of responsibility is limited to approximately 1,000 participating institutions or approximately 1,007 institutions.

The "Vet-Rep on Campus" provides for the assignment of a V.A. program officer to the institution to provide at least two of the five functions sustained under the veterans' cost of instruction program in that it provides information with respect to the establishment of educational and/or training programs.

So there is some overlap. When you add to that the third dimension of the special services programs which also provides a mechanism of tutorial work and corrective and developmental support, you actually have three overlapping areas of operation on institutional campuses.

NONOVERLAP AREAS

Mr. Obey. So the two non-overlap are which?

Dr. Spearman. Basically outreach and tutoring.

Mr. Obey. What do you mean by that?

Dr. Spearman. The VA Vet-Rep's responsibility essentially includes a whole array of services under the general heading of educational and training opportunities. In the veterans' cost of instruction program, we spell out specifically, recruitment, counseling, and tutoring. But some of these same opportunities are available through the Vet-Rep program. Furthermore, it has universal access. It is at all institutions as compared to the 1,000 institutions that are currently participating in the veterans cost of instruction program.

Ms. Beebe. Could we supply you for the record a comparison of the VA bill and our bill which will show the duplication?

Mr. Obey. I am not so interested in the duplication. I want to know—in the two areas that you say you are not duplicative—how significant are they?

Are they worth continuing this program or not?

Mr. Chairman, I have taken far too much time. I apologize.

[The following additional information was submitted:]

The vet-rep on campus is a Federal employee assigned to assist all veteran students in obtaining VA educational benefits. Although the focus is on assisting veterans and assuring them of the receipt of the benefits that they are entitled to, a significant part of the vet-rep's time is devoted to the provision of counseling services related to the veterans' training and educational needs. The vet-rep recommends and assists the veteran student to obtain the services required in order to assure a successful transition into his academic program. In addition his counsel is available to assure that the veteran is relieved of administrative burdens that might otherwise impede his academic progress and could result in his discouragement and subsequent withdrawal from the campus.

Under the veterans' cost-of-instruction program, each participating institution has established a fulltime office of veterans' affairs on its campus and is providing special services in the areas of counseling, Outreach, tutorial assistance, and special educational programs and recruitment.

Emphasis in the veterans' cost-of-instruction program (VCIP) is on the educationally disadvantaged veteran and encouraging colleges and universities to serve the special educational needs of Vietnam-era veterans.

Mr. NATCHER. Mr. Patten.

VALUE OF HIGHER EDUCATION

Mr. PATTEN. I have a little knowledge that this is one area where we are going to try to balance the budget. It has quite a few minuses. You know, Commissioner, this is the most beautiful thing America has had in the last 10 years. If you came into my area and saw my State college, which I when went there had 800 students. We have 40,000 in Rutgers today. First in the history of New Jersey, it has the school of pharmacy, the graduate library, all from Federal money which came out of your Department. You would get a thrill.

We had 1 million babies born in 1940. Twenty years ago we had 5½ million. That was some crop. They are 20 years old. In 1956 we had close to 5½ million births. Now I hear a lot about gold and interest rates. How about if you and I try to put a price tag on what we have done in this committee since I am on here and put it in the right perspective.

When I was elected to Congress in 1962 the Federal budget was $93 billion.

Now I have a young fellow here from Catholic University, pretty healthy looking, 20 years old, and a taxpayer. He is here to observe me for 1 day. I think in my time here the greatest thing that I saw was my country go to a point where we have 10 million persons in higher education. Incidentally, education is absolutely something new with our Cooke College and the things we are doing for adults.

What is this fellow worth to America? What do these kids born in 1955 who are 20 years old represent?

A Cadillac is worth $10,000. I have heard a doctor is an economic asset of $400,000. If you live in Ireland and finish high school, you have 1 chance out of 10 to go for higher education. In France it is 1 chance out of 10 to go beyond high school. I was in Korea. They are trying to establish a universal 6 years of education. In my country my greatest boast is that in your Department we have 10 million people in higher education.

Now considering the terrific and beautiful asset of the 30 million born there in a few years, 1957, 1958, you fellows out of World War II sure did the job. It was not my fault. I want to tell you I think it is beautiful. It is the most beautiful part of America. You want to put a price tag on a young fellow in good health, well fed, looks good, good head on him, who is in one of our universities that you are helping? I am talking about the Treasury, economically, like a machine. How much of an asset is he to America?

I beg your pardon, I didn't mean to say "masculine." How much of an asset is a person like that to this country? Can we put a price tag of $40,000 or $100,000 on him? He is an asset, right?

Mr. HERRELL. Yes, Mr. Patten.

Mr. PATTEN. You get into many billions of dollars, don't you? That is what the Treasury is going to collect from him in his lifetime for income taxes. We have made a tremendous investment. You know the only reason I wanted to come to Congress was to push for Federal aid to education.

In my 1964 campaign my opponent knocked my ears off. He was against Federal aid to education. Here we find ourselves where you have this big budget. You are the head man on higher education. It is all wonderful. It is our best investment. I am not going to get specific here on these appropriations. But in 1956, 1957, they are in high school yet, 1958, we got that beautiful population growth, five times what it was in 1940.

Our population increase since 1953 is 60 million persons.

Ireland only has a couple or 3 million people, Denmark, 4 million. There are not 10 nations in the world with as great a crop as we had in our population explosion that we are asked to handle in this bill.

It is a beautiful thought, isn't it? I am thrilled by it myself. I hope you do.

RESCISSION PROPOSAL

I got mixed up in your first sentence. Didn't you know Tuesday we had the rescission bill in the House and it was defeated 370 some to 17? It was defeated more than 20 to 1. Now I voted for the rescission and deferral bill, but I never thought I was voting to abolish the HEW Appropriation Committee. Sending up and cutting out everything I had in this program was not what I voted for in rescission.

I like to look at results. Three hundred and seventy-one Congressmen voted against the President on rescissions. Only 17 voted for him.

NEED FOR BUDGET INCREASE

I have to think that I am right. So while you are here I want you to know you are among friends. If you love higher education, if you think our future as a nation is in these 30 million born from 1957 to 1960 in the postwar period who are now 17 and 18 coming out of our high schools I want to tell you you will be happy with this committee.

I effervesced at the thought of it. You ought to enjoy your work.

HIGHER EDUCATION ENROLLMENT

Mr. MICHEL. Can you give us a breakdown on the current total enrollment in the various types of higher education institutions, such as 4-year colleges, community colleges, et cetera, and how this compares with enrollment in the past several years?

Mr. **Herrell**. I will be happy to provide a table for the record, showing this breakdown for the past 4 or 5 years.

[The information follows:]

ENROLLMENTS IN INSTITUTIONS OF HIGHER EDUCATION BY DEGREE-CREDIT STATUS AND INSTITUTIONAL TYPE

[In thousands]

Year (fall)	Total degree credit and nondegree credit enrollment	Degree-credit			Nondegree-credit		
		Total	4-yr	2-yr	Total	4-yr	2-yr
1969	8, 005	7, 484	5, 956	1, 528	520	72	448
1970	8, 581	7, 920	6, 290	1, 630	661	68	593
1971	8, 949	8, 116	6, 391	1, 725	833	72	761
1972	9, 215	8, 265	6, 473	1, 792	950	76	874
1973 (estimate)	9, 385	8, 370	6, 512	1, 858	1, 015	74	941

Source: Projection of educational statistics to 1982–83; table 5.

FULL FUNDING LEVEL

Mr. **Michel**. If the higher education budget were fully funded, as some people advocate, what would the total budget and the increase over your budget amount to? This of course would be for just those areas where a maximum authorized level has been established by law.

Mr. **Herrell**. If all currently funded programs with definite authorizations were funded at their maximum authorized levels in fiscal year 1976, the total appropriation for these programs would come to $1,481,710,000. This would represent an increase of $988,129,000 over our 1976 request for these programs.

WAIVER LANGUAGE

Mr. **Michel**. You are requesting of the Appropriations Committee special language that would waive the provision of the law that requires appropriation of certain amounts for supplemental grants and direct loans as a precondition to paying basic opportunity grants. Is this not a request for authorizing language in an appropriations bill, which, theoretically at least, is not permitted under the rules?

Mr. **Herrell**. While the request for the waiver of section 411(b)(4) of the Higher Education Act of 1965 may not meet all technical criteria for inclusion in an appropriations bill, we believe that its timeliness requires that it be included in the appropriations bill, so that the question of the waiver can be resolved as the appropriations for these programs are enacted. Obviously, we hope that the provision will be eliminated in the upcoming extension and revision of title IV of the act.

REVIEW OF FINANCIAL NEED DATA

Mr. **Michel**. The Senate appropriations report last year suggested that efforts be undertaken to remedy the problem of students submitting erroneous financial need data. Your budget indicate a contract evaluation of the problem is in the works. How soon will this evaluation get underway and how long will it take?

Mr. **Herrell**. The basic grant program is conducting a variety of activities designed to prevent any potential program abuse. Specifically, the program maintains high quality controls during the initial application processing stage to detect and correct obvious data inconsistencies and omissions. During the processing stage, manual and machine edits are applied to applicant data which are designed to detect obvious inconsistencies and errors on the part of the applicant, advise him of the existence of such discrepancies, and permit an opportunity for correction. Obviously, deliberate misrepresentation on the part of the applicant may not necessarily be detected by way of these edits. For this reason, the basic grant program is in the process of awarding a contract in support of program efforts to validate student reported data. The objectives of this validation effort are as follows:

First, validation activities will be initiated by requesting individual applicants to provide copies of their Federal income tax forms.

In the event that discrepancies are confirmed, the applicant's application will be reprocessed and/or procedures for the recovery of any overpayments which the student has already received will be initiated. Applicants will be selected for follow-up both on the basis of institutional referrals and on the basis of special selection from the basic grant applicant data base in accordance with preestablished criteria.

In view of the sensitivity and complexity of any such validation activity, considerable priority will be given during this initial effort to the development, testing, and refinement of appropriate and acceptable validation procedures which are sensitive to the individual's rights to privacy and confidentiality, while at the same time, insuring an effective mechanism to control false reporting.

Second, in order to define the degree of validation activities which may be required in support of the proper management of the program, a statistical comparison between basic grant reported data and IRS reported data will be conducted for a representative sample of applicants. The overall purpose of this activity is to determine the extent to which income information reported on the basic grant form is similar to or at variance with IRS income tax returns for various categories of applicants. This data will permit an assessment as to the general accuracy of income data reported to the Office of Education, and on the basis of specific discernible trends, review basic grant program procedures to maintain the accuracy of reported income data at acceptable levels.

It is expected that these validation procedures will be fully implemented in sufficient time to validate applicants enrolling in the 1975-76 academic year. The contract itself will be of a 1-year duration with a contract award expected during April of this year. Based on the experience gained during this initial effort, the program expects to implement more refined validation procedures during subsequent years of the program. In this context, it should be noted that the program does not have any evidence of significant program abuse, but has engaged in this effort as a necessary management practice to effectively administer public funds.

BASIC GRANT PROGRAM FINANCIAL DATA

Mr. MICHEL. Have you developed any rough estimates thus far as to how many students are receiving aid because of the submission of false data, and has your instruction to the schools to tighten up in this regard achieved any reasonable success?

Mr. HERRELL. The basic grant program does not have any evidence of significant misreporting or program abuse. In fact, based on a small study conducted by the University of Wisconsin, during May 1974, it appears that data reported to the basic grant program was more valid than information reported on other need analysis forms.

Specifically, the institutions requested a confirmation from parents who reported different income amounts on various need analysis forms as to which reported income was correct. Based on the replies received in response to the audit letter, parents almost in all cases indicated that data reported on the basic grant form is correct and information on other forms is incorrect. Obviously, a number of reasons may account for such discrepancies. For example, in some cases the information reported on the nonbasic grant forms was an estimate made prior to the end of the tax year. Also, there were differences in the specificity of instructions, i.e., the basic grant form asks that income data be taken from a specific line of the Federal tax return, whereas the other need analysis form merely asks for income for the year involved.

Obviously, isolated studies of this type are not sufficient to fully document the validity of student reported data under the basic grant program. It is for this reason that the basic grant program is in the process of awarding a contract to validate student reported data. In addition to following up individual applicants for purpose of verifying data, one of the major tasks to be performed under this contract will be to determine the general accuracy of student reported data.

Specifically, in order to define the degree of validation activities which may be required in support of the proper management of the program, a statistical comparison between basic grant reported data and IRS reported data will be conducted for a representative sample of applicants. The overall purpose of this activity is to determine the extent to which income information reported on the basic grant form is similar to or at variance with IRS income tax returns for various categories of applicants. This data will permit an assessment as to the general accuracy of income data reported to the Office of Education, and on the basis of specific discernible trends, review basic grant program procedures to maintain the accuracy of reported income data at acceptable levels.

In addition to these efforts, the program maintains high quality control in the processing of the applications through the use of a series of edit procedures designed to detect obvious inconsistencies and errors on the part of the applicant, advise him of the existence of such discrepancies, and permit an opportunity for correction.

Specifically, the data submitted by students and their parents on the basic grant application is edited and reviewed in a series of manual and automated procedures. The manual procedures basically apply to clarify the information entered by the student on the application, especially as to dollar amounts. The automated procedures provide a complex and thorough method of checking the quality, logic and consistency of the data provided.

Essentially the automated review procedures work as follows. All data on the form is keypunched and placed in the applicant's computer record. A series of checks is then run on that data. If the application is properly completed and all data is consistent, the applicant will simply receive the results of the processing of the application. However, if data is missing or appears to be inconsistent with other data provided, the applicant will receive specific printed messages on his student eligibility report regarding that data. Essentially, these messages fall into three categories. The first regards instances where the applicant left out some data, but has given other information elsewhere on which to base a logical assumption regarding the missing data. For instance, if the applicant left the question on marital status blank, but indicated his household size was one, we assume he is single. In every case that we make an assumption, we tell the applicant we did so and indicate that if the assumption is incorrect, his report is void and that he should submit the correct information.

The second category of messages involves cases where the data seems to indicate the applicant made an error. For instance, if an applicant entered noticeably different numbers for household size and number of tax exemptions claimed, a warning message would appear on his report in this regard. The applicant is then responsible for making sure that the proper information has indeed been provided.

The third and final category of messages involve instances where the applicant has failed to provide critical information which is required to calculate his eligibility or has provided information which has a very good chance of being incorrect. This would occur if the applicant indicated no income received by his family in the prior year, for instance. In these cases the application is basically rejected, and the applicant receives a report indicating that specific additional information is necessary before his application can be processed.

It should be noted that in all cases the messages are printed on the student eligibility report that is to be submitted by the student to the school in which he is enrolled for payment of his basic grant award. Therefore, the financial aid officer, by virtue of seeing these messages on the student's report, acts as an additional check point in reviewing the quality and validity of information reported on the basic grant application.

An additional check has been added for the 1975–76 academic year. If a student submits more than one application during the year, each subsequent application is recorded on the first line of printed messages on the applicant's student eligibility report. Thus, if the student has submitted three different applications, the third report would have a message stating clearly that it is the result of the third application for that student. More than four applications will not be accepted and the student will be told to contact our processing agency if he is having special problems in the proper completion of his application.

In addition to this procedure, each institution will be receiving a monthly cumulative roster of all students who indicated on their basic grant application that they plan to attend that institution. Included on the roster is an item that will report the record or transaction number of each applicant. Thus, if a student has submitted three applications and two corrections, the institution's roster will indicate that the student has five records on file and hence has received five student eligibility reports. It has been our experience that many institutions will carefully review this information to insure that their students are submitting the correct information and correct report for their basic grant award.

Finally, it should be noted that the basic grant program monitors the frequency with which various messages and problems are occurring. If there appears to be more than an acceptable number of problems in a specific area, the automated editing procedures will be modified so as to insure that the proper quality of data is received. In addition, it is possible to sort out certain types of problem applicants for further review—for instance, applicants reporting no income, or submitting multiple applications.

PROGRAM SIMPLIFICATION

Mr. MICHEL. The Senate report also recommended the streamlining of the administration of the student aid programs in order to simplify the process of acquiring financial assistance. In this regard, isn't your budget decision to reduce the number of different aid programs and concentrate on a smaller number really the most basic form of simplification?

Mr. HERRELL. Yes, this budget decision does simplify the total process of acquiring financial assistance. Assistance will be available through basic grants, State students incentive grants, college work study, and guaranteed student loans, with national direct student loans available as the loan of last resort. The student will have a specific place and procedure for seeking each kind of assistance. The SEOG program is superfluous if the basic grants program is fully funded; therefore, the aid process will be simplified and improved for institutions and for students if that program is eliminated.

DIRECT LOAN PROGRAM

Mr. MICHEL. Along this line, would it not simplify things for both the students and administrators if the direct loan program were dropped altogether rather than funded at a lower level through use of the loan repayment funds? With students competing for fewer funds, there would certainly be more rejections and probably delays in seeking alternative sources of financial assistance, such as guaranteed loans, would there not?

Mr. HERRELL. The presence of the NDSL fund at an institution gives some flexibility to the aid officer. There are always exceptional cases, late applicants, emergencies, occasionally the lack of GSL opportunity which come before the aid officer. Continued availability of a loan source which does not require new Federal money is a resource for students with special needs. The large majority of standard applicants can readily follow the BG, GSL, CW-S application procedure.

BASIC GRANT PROGRAM

Mr. MICHEL. The budget request for basic grants is $1,050 million which will result in estimated obligations of $857 million. What accounts for the difference here? Is it a surplus you expect to carry over into the following year?

Mr. HERRELL. The $857 million estimated obligations for fiscal year 1976 reflects the disbursement procedures used by the basic grant program and is not an indication of a surplus of unexpended funds.

Perhaps it will be useful to explain this disbursement process in greater detail.

In order to make funds available at institutions at the beginning of the academic year, an initial authorization of funds is made to participating institutions of postsecondary education. This initial authorization is based on approximately 55 percent of the appropriation and is distributed among institutions on the basis of our estimates of demand for basic grant funds at each school for the first half of the year. This initial authorization is made in June of the fiscal year preceeding the academic year in use. For example, of the $660 million appropriated for fiscal year 1975 (academic year 1975–76), about 55 percent or $361.3 million will be obligated in June of fiscal year 1975 for use in fiscal year 1976. The remaining 45 percent (about $298.7 million) will be obligated during fiscal year 1976.

These same procedures will be followed for the fiscal year 1976 funds. Approximately 55 percent or $559.1 million will be obligated as initial authorizations in June of fiscal year 1976 for use in fiscal year 1977 (academic year 1976–77). The remaining $490.9 million will be obligated during fiscal year 1977.

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

Mr. MICHEL. What kind of a demand has there been for supplemental educational opportunity grants? How many applications, for instance, have been submitted for such grants in comparison with the number approved?

Mr. HERRELL. We would be happy to supply that information for the record.

[The information follows:]

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM FISCAL YEAR OF OPERATION

	Fiscal year —		
	1974	1975	1976
Number of institutional applications	2,939	3,389	3,505
Number of institutions funded	2,904	3,258	3,424
Gross request	$555,094,000	$571,246,000	$673,411,000
Recommended funding	$468,059,000	$458,814,000	$519,891,000
Funds available	$210,300,000	$210,300,000	$240,300,000

Mr. MICHEL. I assume that for the most part those students receiving supplemental grants also receive basic grants. Where do you expect them to turn for additional assistance if the supplemental program is discontinued?

Mr. HERRELL. There could well be a combination of SEOG and BG assistance for a student. This would certainly be possible at higher cost institutions. However, as basic grants approach full funding, the amount of such a grant will exceed the amount of a supplemental grant which has been an average award of $670 per recipient. Thus, the proportion of grant aid in a student's package would continue at a level favorable to the student. At this point the State student incentive grant, which is matched dollar for dollar by State funds, would provide needed additional assistance beyond the basic grant.

COLLEGE WORK STUDY PROGRAM

Mr. MICHEL. Under the work study program, the budget indicates that the average grant will remain the same—$580—despite increased education costs, and gives as reasons an expectant increase in the share of student costs to be borne by basic grant and expectation that student financial aid officers will make the funds help as many students as possible. In this regard, I'd like to ask two questions:

(a) How many students under work study are also receiving basic grants?

(b) I have been advised by a number of student aid officers that if the choice results in increasing assistance per student or keeping more students in this program, they are likely to increase the level of assistance and bring fewer people into the program, feeling it is better to adequately help a few than inadequately help a larger number. This would seem to contradict your thinking in this regard?

Mr. HERRELL. With regard to your first question, there are no figures available to show the numbers of students receiving both basic grants and work study earnings. Given the priority in the CW-S legislation for students with the greatest financial need after considering all forms of grant aid, it would be logical to expect a high degree of combining these two forms of aid. Presently only first and second year students are eligible to receive basic grant awards.

As to your second question, the decision on awarding some students aid up to their need or leaving a gap between aid and need for all students is one for the institution to make. Such institutional policy is affected by a variety of factors: declining enrollments, available resources, efforts to enroll very needy students, among others, will evoke differing responses and policies on meeting need from one institution to another.

GUARANTEED STUDENT LOAN PROGRAM

Mr. MICHEL. In the guaranteed loan program, the budget provides the maximum 3 percent special allowance—allowing a return to lenders of 10 percent—through fiscal year 1976 In view of the recent indication that interest rates are beginning to move downward, do you think there may be room for revision in the budget estimate?

Mr. YORK. Considering the fluctuations in the money market, it would be difficult to determine the possibilities of trend in national interest rates. Quantitative data on which to base such a decision is not available.

Without this kind of justification, we are reluctant to revise our proposed budget estimates for fiscal year 1976. It is our desire to forego submitting a supplemental request at a future time.

Mr. MICHEL. The budget estimates for fiscal year 1976 a continued increase in the number of guaranteed loans outstanding. When and at what number do you think we will reach a leveling out in this regard?

Mr. YORK. Prognostications of trends in this program depend on so many variables, we are reluctant to make long-range estimates. A leveling at 997,000 new disbursed loans, each fiscal year through 1980, seems reasonable at this time. The average amount of these loans is expected to increase over this period at 5 percent annually based on minimal expected increases in educational costs. Fiscal year 1976 is expected to produce $1.492 million in new disbursed loans increasing to an estimated $1.869 million in fiscal year 1980.

SPECIAL PROGRAMS FOR THE DISADVANTAGED

Mr. MICHEL. How effective have the special programs for the disadvantaged, such as Upward Bound been? How many students, for instance, attend college as the result of these programs who would not have without the programs? Do they stay in school, or do a high percentage drop out?

Dr. SPEARMAN. We know that approximately 36,000 students participated in Upward Bound during 1973–74 program year. Of these approximately 7,500 graduated from high school. Our data further indicates that approximately 5,500 of these graduates planned to attend college—junior/community and 4 year. Approximately 500 planned other postsecondary enrollment. Actual enrollment followup will be completed this summer. Data from previous followup activities have shown that more than 90 percent who planned enrollment actually attended college.

One way to determine the difference the Upward Bound program makes in college enrollment is to study control groups of non-Upward Bound students. The Research Triangle Institute in North Carolina is currently conducting a study of the program, part of which involves control groups of non-Upward Bound and Upward Bound students. Until we have the results of this study late this spring, we cannot provide factually based information about this question.

In Talent Search, from July 1 through December 31, 1974, the 120 projects reported working with approximately 65,000 clients; 30,900 were placed in postsecondary education during that time. There are a number of reasons to believe that these individuals would not have enrolled without the assistance of their Talent Search project.

First, 10,000 of these individuals live in isolated areas, such as farms and Indian reservations or are from migrant worker families. They often attend high schools which have limited or no high school counseling services, or they do not benefit from the limited services which may be available in their schools.

Second, of the students served during this period, 60.8 percent were currently enrolled in secondary schools, grades 9 to 12. However, 7,416 students had dropped out of secondary schools, and 2,005 had dropped out of postsecondary schools. Since these students had access to no other counseling services, it is reasonable to assume that the Talent Search services were effective in the return to school of 47.3 percent of the dropouts served.

Third, projects report that 30,858 persons began or returned to postsecondary education during the report period; 71 percent or 22,000 of these persons were reported as receiving adequate student financial aid, and 8.7 percent or 2,700 reported receiving inadequate financial aid. One of the major responsibilities of the Talent Search project is to assist its clients in securing adequate student financial aid.

Finally, projects report that 6,000 of the students placed in postsecondary education were assigned to special services projects. This indicates a depth of counseling on the part of the Talent Search staffs and a liaison between the staffs and special services projects that is beneficial to students.

For the period July 1 through December 31, 1974, 332 special services for disadvantaged students projects served 68,119 students. Of these students served, 3,838 had been identified and placed in the institutions through Talent Search projects; 4,538 through Upward Bound projects; and 874 had participated briefly in both Talent Search and Upward Bound projects. It must be remembered, however, that not all former Upward Bound and Talent Search participants need the additional support provided by special services projects to complete their education. Additionally, many of these students do not attend postsecondary institutions which are participating in the special services program.

Of the 68,119 students served this period, 4,257 left the projects for positive reasons, such as graduation, transfer, or satisfactory academic performance (6.2 percent). Although less then 1 percent (0.9 percent) left the institution for insufficient funds, this is still disturbing in view of Federal financial aid programs. A number of students (2,345) left for nonacademic causes, such as entering the Armed Forces or personal and health reasons, including death (3.4 percent). Some students (1,038) left the project as a result of academic or administrative dismissal from the institutions or further participation in the project was deemed unproductive (1.5 percent).

Since the major thrust of the special services program is to assist students in completing their postsecondary education, we find it heartening that 88 percent of the students served by projects are remaining in postsecondary education.

EDUCATIONAL OPPORTUNITY CENTERS

Mr. **Michel.** Are not the educational opportunity centers duplicating to a large extent services provided by high school guidance counselors?

Dr. **Spearman.** Few high schools in the country have ratios of students to counselors which permit more than the most cursory of academic and career counseling. The Educational Opportunity Center (EOC) is designed to fill this gap for high school students. Furthermore, it should be pointed out that these centers serve a large number of individuals who are not high school students, including high school and college dropouts. Even in the case of high school students, The EOC does not duplicate the high school counselor's services but rather, because of the breadth and specialization of its operation, as well as an adequate financial base, it complements high school counselors' work through its recruitment pools, its contact with large numbers of postsecondary institution admissions officers, and its capability for storing and retrieving information on financial aid, as well as other subjects.

In addition, it should also be pointed out that the EOC provides services other than counseling, including tutorial and other supportative services not normally provided by high school guidance counselors. Finally, one of the principal charges of the EOC is to coordinate the resources of other Federal, State, and local agencies so that a potential postsecondary enrollee may obtain information, if not assistance, in a broad range of needs affecting his or her education.

STRENGTHENING DEVELOPING INSTITUTIONS

Mr. **Michel.** How much of the $110 million budgeted for strengthening developing institutions is going to the so-called black colleges?

Mr. Herrell. It is estimated that 45.5 percent of the $110 million budgeted for strengthening developing institutions will be awarded to the predominantly black colleges in fiscal year 1975.

Mr. Michel. Have these funds really helped these schools? I understand that their enrollment projections in general are falling off, and I wonder if maybe we aren't just prolonging their death by the infusion of such funds?

Mr. Herrell. Title III funds have aided the black colleges immensely in increasing their overall basic strengths in faculty development, curriculum change, administrative management and student services. All of the 85 black colleges currently funded under the title III program are fully accredited by their regional accrediting associations. They show a growth rate in enrollment of 32 percent from 1966 to 1973 which is practically the same as the growth rate for all 4-year colleges and universities. It was 32.1 percent during the same period. In fact, historically black colleges show the same enrollment growth trends as similar colleges nationally. This is contrary to conventional wisdom that portrays them with declining enrollments. It is significant to note that the sharpest growth in enrollment has taken place at the senior college rather than at the freshman college level. This is indicative of the trend on the part of black college students to transfer from community colleges to baccalaureate degree granting institutions.

Currently, 4 out of 10 of the black students are in black colleges and 7 out of 10 degrees earned by black students are awarded by black colleges. These have strongly emphasized equality of opportunity and willingness to expand and serve increasing numbers of low income black and other minority students including Appalachian whites. In other words the growth exhibited in the black colleges is being generated because of the policy of these institutions to emphasize equality of opportunity as an objective, and to respond to social demand as the main criterion for determining the quality and type of postsecondary education to be provided.

Mr. Michel. With desegregation now pretty much an accomplished fact in higher education, and with so many private schools now in financial difficulty throughout the country, I wonder if we can really justify allocating funds to schools on the basis of their minority or low income enrollment?

Mr. Herrell. Low income and minority enrollment is only one of a number of criteria utilized in determining the continuing support of developing institutions. Federal commitment to the support of postsecondary education involves Federal commitment to provide new opportunities, choice and access for a far more diversified group of people under more flexible arrangements than has ever been true before. It is not a question of desegregation, it is rather a determination to serve the needs of a large segment of the college age population which would remain undereducated and therefore underproductive as citizens in a nation committed to improve the quality of life. For example, most students who attend developing institutions are from families whose financial resources are insufficient to meet the cost of college. This was 52 percent low income in 1972 and 50 percent minority. In a large sampling of black colleges the low income and minority students represented as many as 95 percent of the total enrollment.

These facts make it especially urgent that the Federal Government continue to support the colleges enrolling these students.

Nationally, higher education still serves a minority of the college age group. The most "undeveloped" States do not have more than 20 or 30 percent of their population of college age in postsecondary education. In most States less than 30 percent of young people are enrolled in a postsecondary institution and less than 10 percent receive a collegiate level degree. The black population in the traditional college age group represents 13 percent of the Nation's college potential, but with only 4 percent of these students in any college today.

In strengthening developing institutions, therefore, with continuing financial support, the overriding purpose is not to be concerned with desegregation per se, but to provide access to higher education for a considerable segment of society which would otherwise be denied the opportunity because of the high costs of higher education.

The universe of developing colleges encompasses small colleges whose past history indicates that, although they have lacked funds, they are accredited. They have continued to attract students and to educate many of the Nation's most productive citizens.

LANGUAGE TRAINING AND AREA STUDIES PROGRAM

Mr. MICHEL. In the language training and area studies program, it is estimated that some 60,000 students will receive instruction through the various centers. Have you been able to determine how many of these students ultimately enter professional fields where they actually utilize this training?

Dr. LEESTMA. The NDEA international studies centers provide instruction to a wide variety of students in a large number of courses and disciplines. Not all of the students enrolled in the courses eventually specialize in international studies or ultimately enter fields which utilize this training directly. However, for those who major in international studies the professional utilization of this specialized training is high and increases with the degree level.

The best illustration with available data is to take a detailed look at the employment by degree level of all graduates of our NDEA centers in a recent representative year, 1972–73 The following table reflects a rather impressive spread of relevant occupations. One will also note some very encouraging progress in the participation rate by women in what was, not too many years ago, virtually an all-male preserve at the advanced degree levels.

[The information follows:]

1744-S

EMPLOYMENT OF GRADUATES OF NDEA CENTERS, 1972-73

Field of Employment	Degree Level B.A. Men	 Women	 Total	 M.A. Men	 Women	 Total	 Ph.D. Men	 Women	 Total
Higher Education	33	36	69	101	50	151	397	114	511
Elementary and Secondary Education	259	437	696	97	105	202	3	2	5
U.S. Government	269	167	436	116	35	151	25	2	27
Foreign Government (MOSTLY FOREIGN STUDENTS)	98	51	149	78	31	109	58	8	66
Journalism	104	48	152	26	13	37	1	0	1
Banking and Industry	485	218	704	102	34	136	25	1	26
Domestic Non-Profit Organizations	128	134	262	35	38	73	38	9	47
International Organizations	72	56	128	25	6	31	18	2	20
Library	23	66	89	18	39	57	4	2	6
Continuing Study	1430	1038	2468	504	282	786	9	4	13
Unknown	735	586	1321	97	60	157	25	14	39
Unemployed by preference	63	120	183	14	31	45	9	7	16
Unemployed for other reasons	60	73	133	19	6	25	9	1	10
Totals	3760	3030	6790	1230	730	1960	621	166	787
% of total	55%	45%		63%	37%		79%	21%	
Number of Centers reporting			104			94			87

UNIVERSITY COMMUNITY SERVICES

Mr. MICHEL. With many colleges and universities now voluntarily undertaking community service type programs, as sort of the thing to do, there really isn't any further need for a Federal stimulant in this field, is there?

Mr. HERRELL. No; we don't think so, especially in view of all the other priority needs in higher education.

JUSTIFICATION OF THE BUDGET ESTIMATES

APPROPRIATION ESTIMATE

Higher Education

For carrying out, to the extent otherwise provided, titles [I,][1] III, IV, [section 745 of title VII,][2] and parts [A][3] B [,C,][4] and D of Title IX [, and section 1203][5] of the Higher Education Act, the Emergency Insured Student Loan Act of 1969, [as amended, section 207 and][6] title VI of the National Defense Education Act, [as amended,][7] the Mutual Educational and Cultural Exchange Act of 1961, [section 22 of the Act of June 29, 1935, as amended (7 U.S.C. 329), section 421 of the General Education Provisions Act,][8] and Public Law 92-506, [of October 19, 1972, $2,131,271,000][9] *$2,005,541,000*, of which [$240,300,000 for supplemental educational opportunity grants and][10] amounts [reallotted][11] for work-study *and incentive grants*[12] shall remain available through [June] *September* 30, [1976, $23,750,000 shall be for veterans cost-of-instruction payments to institutions of higher education, and $660,000,000 shall be][13] *1977*, and *of the $1,050,000,000* for basic opportunity grants [(including][14] not to exceed $11,500,000 *shall be* for administrative expenses[) of which $648,500,000] *and $1,038,500,000* shall remain available through [June] *September 30*, [1976, $315,000,000] *1977, $452,000,000* for subsidies on guaranteed student loans shall remain available until expended: *Provided*, That [none of the funds in this Act shall be used to pay any amount for basic opportunity grants for students who were enrolled at institutions of higher education prior to April 1, 1973][15] *funds appropriated for basic opportunity grants may be paid without regard to section 411(b)(4) of the Higher Education Act:*[16] *Provided further, That amounts appropriated for basic opportunity grants shall first be available to meet any insufficiencies in entitlements resulting from the payment schedule for basic opportunity grants published by the Commissioner of Education during the prior fiscal year: Provided further, That any amounts appropriated herein for basic opportunity grants in excess of the amounts required to meet the payment schedule published for any fiscal year shall be carried forward into the next fiscal year.*[17]

*For "Higher education" for the period July 1, 1976, through September 30, 1976, $124,000,000, to remain available until expended. (Department of Health, Education, and Welfare Appropriation Act, 1975.)*18/

Explanation of Language Changes

1/ No funds are requested for university community services.

2/ No funds are requested for annual interest grants for construction of academic facilities.

3/ No funds are requested for grants to institutions of higher education for graduate programs.

4/ No funds are requested for public service fellowships

5/ No funds are requested for State planning commissions.

6/ No funds are requested for loans to institutions under the National Direct Student Loan program.

7/ Editorial change.

8/ No funds are requested for aid to land-grant colleges or for State administration of Federal construction and equipment programs.

9/ Editorial change.

10/ No funds are requested for supplemental educational opportunity grants.

11/ To provide two year availability of work-study funds.

12/ To provide two year availability of funds for State student incentive grants

13/ No funds are requested for veterans cost-of-instruction payments. Also part of editorial change for basic grants citation.

14/ Editorial change.

15/ Grants will be for four classes of students. The 1975 funds were restricted to three classes.

16/ Proposed waiver of the provision in the authorizing legislation that specifies amounts be appropriated for the older student assistance programs before any payments may be made for Basic Grants.

17/ Pending amendment of the authorizing legislation, this special appropriation language would waive the requirement that all of the amount appropriated for basic grants be paid to students who are in attendance during a particular school year. The special language would permit the funds not needed to meet the payment schedule for 1976-77, if any, to be carried forward and used (along with the 1977 appropriation) to meet the payment schedule for 1977-78. It would, also, permit use of the 1976 appropriation to meet any insufficiencies that might occur in connection with the 1975-76 payment schedule (that schedule, of course, would be funded, primarily, by the 1975 appropriation).

18/ To pay interest benefits, special allowance to lenders, and death and disability claims in connection with the guaranteed student loan program during the transition period between fiscal year 1976, which ends June 30, 1976, and fiscal year 1977, which begins October 1, 1976.

Analysis of Special Appropriation Language

Language Provision	Explanation
"...amount [reallotted] for work-study...shall remain available through...*September 30...1977*"	This provision, by deleting the word "reallotted," would permit two-year availability for work-study funds. Without the deletion the language, following the authorizing legislation, would provide two year availability only for funds allotted to a State which could not be fully utilized by that State and would therefore be reallotted for use by others. As all States are now capable of fully utilizing allotted funds, no excess is anticipated. However, funds allocated to institutions within a State are not tota-ly utilized in all cases and could be reallocated. Due to the full year forward funding aspect of the work study program, the existence of excess funds cannot be ascertained until after the expiration of obligational authority under the current appropriation language. Providing two year availability would permit the Office of Education to adjust funds among institutions during the academic year in which they are being utilized.
"...not to exceed $11,500,000 *shall be* for administrative expenses..."	This provision continues an administrative set-aside amount for the basic grants program which the basic authorizing legislation left unspecified. Without this provision the entire appropriation would be available only for program grants.

Analysis of Special Appropriation Language

Language Provision	Explanation
Provided that...funds appropriated for basic opportunity grants may be paid without regard to Section 411 (b) (4) of the Higher Education Act.	This provision waives the requirement in the authorizing legislation that specified amounts be appropriated for the older student assistance programs (supplemental grants work-study, and direct loan capital) before any payments are made under the basic grants program.
Provided further, That amounts appropriated for basic opportunity grants shall first be available to meet any insufficiencies in entitlements resulting from the payment schedule for basic opportunity grants published by the Commissioner of Education during the prior fiscal year: Provided further, That any amounts appropriated herein for basic opportunity grants in excess of the amounts required to meet the payment schedule published for any fiscal year shall be carried forward into the next fiscal year.	This provision is intended to simplify administration of the basic educational opportunity grants program. Modification of the authorizing legislation has also been proposed. Current legislation requires that every dollar appropriated for the program go to students in attendance during a specific academic year. This would require adjustments to each student's grant as well as to payment schedules. The alternative provided for here would be to issue a single payment schedule early in the Spring which is based upon the appropriation for this program. A single schedule is being proposed in order to provide a measure of certainty and stability for both students and institutions of higher education. The publication of a single payment schedule would, however, require dealing with the problem of either having too little or too much appropriated to meet the requirements of the schedule. It is proposed that the potential shortfall or surplus be dealt with by including language in the appropriation bill which would allow a surplus of funds to be carried into the next fiscal year and a shortfall to be a first priority claim on subsequent year funds. This will permit the publication of a single schedule rather than constant or frequent schedule revisions throughout the year either having to take away funds already promised to students or to give them additional small amounts because additional funds become available.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

Higher Education

Amounts Available for Obligation

	1975 Revised	1976
Appropriation (annual)........................	$2,131,271,000	$2,005,541,000
Appropriation (permanent)....................	2,700,000	---
Proposed supplemental.....................	67,400,000	---
Proposed rescisisons......................	-58,300,000	---
Subtotal, adjusted appropriation......	$2,143,071,000	$2,005,541,000
Comparative transfer from:		
Occupational, Adult, and Vocational education for Ethnic heritage.........................	---1/	---1/
Subtotal, budget authority............	$2,143,071,000	$2,005,541,000
Unobligated balance, start of year..........	432,870,213	371,504,254
Unobligated balance, end of year...........	-371,504,254	-539,954,254
Total, obligations...................	$2,204,436,959	$1,837,091,000

1/ $1,800,000 appropriated for this activity in 1975 is included in the proposed rescissions for Occupational, Adult and Vocational education.

Summary of Changes
(Obligations)

1975 Estimated obligations[1/]	$2,197,136,959
Less: 1975 Proposed Rescissions[1/]	-60,100,000
Plus: 1975 Proposed Supplementals	67,400,000
1975 Revised obligations	2,204,436,959
1976 Estimated obligations	-1,837,091,000
Net change	-367,345,959

	1975 Base	Change from Base
Increases		
A. Built-in:		
1. Guaranteed student loan program	$388,666,637	$+64,083,363
2. NDSL Teacher cancellations	6,440,000	+ 2,520,000
3. Construction loan subsidies	20,000,000	+ 3,000,000
Total, increases		+69,603,363
Decreases:		
A. Program:		
1. Student assistance[2/]	$1,537,653,322	-385,853,322
2. Institutional assistance[2/]	175,346,000	-47,346,000
3. Personnel development	6,000,000	-3,750,000
Total, decreases		-436,949,322
Total, net change		-367,345,959

[1/] Includes $1,800,000 for Ethnic Heritage.

[2/] Except for built-in increases noted above.

Summary of Changes
(Budget Authority)

1975 Enacted budget authority	$2,133,971,000
Less: 1975 Proposed rescissions	-58,300,000
Plus: 1975 Proposed supplementals	67,400,000
1975 Revised budget authority	2,143,071,000
1976 Requested budget authority	2,005,541,000
Net change	-137,530,000

	1975 Base	Change from Base
Increases:		
A. Built-in:		
1. Guaranteed student loan program	$382,400,000	$+69,600,000
2. NDSL teacher cancellations	6,440,000	+2,520,000
Total, increases		+72,120,000
Decreases:		
A. Program:		
1. Student assistance[1]	1,549,940,000	-199,500,000
2. Institutional assistance	135,150,000	-7,150,000
3. Personnel development	5,250,000	-3,000,000
Total, decreases		-209,650,000
Total, net change		-137,530,000

Explanation of Changes

Increases:

A. Built-in:

1. Guaranteed student loan program: Growth of the subsidized insured loan program is expected to continue in 1976 thus requiring an increase in the cost of subsidies. Funds brought forward from 1974 covered some of the 1975 obligations; and, therefore, the increase in budget authority is greater than the increase in obligations.

2. National defense student loan, teacher cancellations: Reflects statutory change requiring 100 percent reimbursement to institutions for cancellations granted for teaching or military service on loans made after June 30, 1972.

3. Construction loan subsidies: The increase in obligations reflects the increased number of loans expected to reach payment status in fiscal year 1976. No appropriation is requested for 1976, however, since sufficient funds are available from prior year appropriations.

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[1] Except for built-in increases noted above.

Decreases:

A. Program:

1. Student assistance: Although the budget calls for full funding of basic grants, an increase in student loan subsidies, and a doubling of the incentive grants for State scholarships, the total requested for student assistance is less than the 1975 appropriation. That decrease is accomplished as follows:

(a) No funds are requested for supplemental grants since a fully funded basic grants program is a more efficient way of aiding the neediest students.

(b) No funds are requested for new capital for the direct loan program. Primary reliance for loans will be on the guaranteed loan program. Furthermore, loan repayments will permit $164,000,000 in new direct loans. The request for work-study is $50,000,000 less than the 1975 appropriation, but the same as the 1975 request. The State Scholarship Incentive Grant program request is increased, in recognition of the effectiveness of the required matching provision in generating student assistance funds. The difference between budget authority and obligations for student assistance is due, primarily, to the basic grants program. In that program, about half of the funds are reserved until data on utilization permits estimating how much should go to each school to allow them to complete disbursements for the year.

2. Institutional assistance: The primary reason for the decreases, and for the difference between budget authority and obligations estimates, is that the 1975 base included obligation of $39,346,000 for undergraduate facilities grants. This amount is the unobligated balance of $43,000,000 which was reappropriated during fiscal year 1974. No new funds are requested. The decrease also reflects termination of support for university community services, State postsecondary commissions and aid to land grant colleges, as recommended in the 1975 rescission proposals. The "revised 1975" column includes only the permanent appropriation for land grant schools and only three quarters of the State agency operating funds for university community services and State postsecondary education commissions.

3. Personnel development. The decrease reflects reduction of the request for college teacher fellowships, the balance of which covers claims by veterans for the unused portions of their fellowships postponed by military service; all other college teacher fellowships terminated in FY 1974. The apparent reduction in obligations for the training for disadvantaged program, which funds the Council on Legal Educational Opportunity (CLEO) program, reflects the carry-forward to 1975 of the 1974 appropriation and is not, therefore, a reduction of program level.

Obligations by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
23	Student assistance:				
24	(a) Grants and work-study:				
25	(1) Basic opportunity grants...........	$650,000,000	$650,000,000	$857,800,000	$+207,800,000
28	(2) Supplemental opportunity grants...........	242,385,298	242,385,298	---	-242,385,298
30	(3) Work-study........	300,200,000	300,200,000	250,000,000	-50,200,000
32	(b) Subsidized insured loans:				
32	(1) Interest on insured loans....	320,516,637	387,916,637	452,000,000	+64,083,363
32	(2) Reserve fund advances.........	750,000	750,000	750,000	---
35	(c) Direct loans:				
35	(1) Federal capital contributions....	321,000,000	321,000,000	---	-321,000,000
35	(2) Loans to institutions.....	2,000,000	2,000,000	---	-2,000,000
35	(3) Teacher cancellations....	6,440,000	6,440,000	8,960,000	+2,520,000
39	(d) Incentive grants for State scholarships...	22,068,024	22,068,024	44,000,000	+21,931,976
	Subtotal, student assistance......	1,865,359,959	1932,759,959	1613,510,000	-319,249,959
42	Special programs for the disadvantaged............	70,331,000	70,331,000	70,331,000	---
46	Institutional assistance:				
48	(a) Strengthening developing institutions...	110,000,000	110,000,000	110,000,000	---
	(b) Construction:				
	(1) Subsidized loans..	60,196,000	60,196,000	23,000,000	-37,196,000
52	(c) Language training and area studies:				
52	(1) NDEA VI program...	11,300,000	8,640,000	8,640,000	---
55	(2) Fulbright-Hays fellowships......	2,700,000	1,360,000	1,360,000	---
58	(d) University community services.............	14,250,000	900,000	---	-900,000
61	(e) Aid to land-grant colleges:				
61	(1) Annual appropriation.........	9,500,000	---	---	---
61	(2) Permanent appropriation (Second Morrill Act...............	2,700,000	2,700,000	---	-2,700,000
62	(f) State postsecondary education commissions..........	3,000,000	800,000	---	-800,000
63	(g) Veterans' cost of instruction..........	23,750,000	---	---	---
64	(h) Cooperative education.	10,750,000	10,750,000	8,000,000	-2,750,000
	Subtotal, institutional assistance	$248,146,000	$195,346,000	$151,000,000	$-44,346,000

Obligations by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
67	Personnel development:				
68	(a) College teacher fellowships........	$4,000,000	$4,000,000	$1,000,000	$-3,000,000
70	(b) Fellowships for disadvantaged......	1,500,000	1,500,000	750,000	-750,000
72	(c) Ellender fellowships........	500,000	500,000	500,000	---
73	(d) Public service fellowships........	4,000,000	---	---	---
74	(e) Mining fellowships.......	1,500,000	---	---	---
	Subtotal, Personel development....	11,500,000	6,000,000	2,250,000	-3,750,000
75	Ethnic Heritage	1,800,000	---	---	---
	Total obligations	2,197,136,959	2,204,436,959	1,837,091,000	-367,345,959

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Printing and reproduction	$2,600,000	$2,600,000	$2,900,000	$+300,000
Other services	6,590,000	6,590,000	8,600,000	+2,010,000
Investments and loans	323,750,000	323,750,000	750,000	-323,000,000
Grants, subsidies, and contributions	1,861,196,959	1,868,496,959	1,821,841,000	-46,655,959
Insurance claims and indemnities	3,000,000	3,000,000	3,000,000	---
Total obligations by object	2,197,136,959	2,204,436,959	1,837,091,000	-367,345,959

Significant Items in House and Senate Appropriation Committee Reports

ITEM	ACTION TAKEN OR TO BE TAKEN
1975 SENATE REPORT	
BASIC GRANTS PROGRAM	
1. Committee recommendation that steps be taken to remedy problem of applicants submitting erroneous financial need data (page 79).	1. The Office of Education has, first, instructed institutions to require student applicants and recipients to provide satisfactory explanation of detected discrepancies in financial need statements and, upon failure to comply, to report such refusal to the Office of Education. Second, a request for proposals is being issued for a contract evaluation of the reliability of applicant financial need data.
2. Committee recommendation that the administration of student aid programs be streamlined so as to simplify the process of acquiring financial assistance(page 79).	2. The Office of Education is working to develop a single uniform application form for all student aid programs, to establish a single national needs analysis procedure and to improve overall management of the system including distribution, collection, and review of applications, and notification of grantees.
STRENGTHENING DEVELOPING INSTITUTIONS	
1. Committee recommendation that a better plan for a more effective use of funds and their equitable distribution among minority groups be included in future budgets.	The Office of Education expects that more institutions with large Indian and Spanish speaking enrollments will be awarded grants now that the 5-year requirement for such institutions has been waived by the Education Amendments of 1972 and 1974.

Authorizing Legislation

Legislation	1976 Authorized	1976 Apprioriation requested
Higher Education Act:		
Title I -- Community services and continuing education (university community services)	$50,000,000[1]	---
Sec. 110 Special programs relating to problems of the elderly	Indefinite	---
Title III -- Strengthening developing institutions	120,000,000[1]	110,000,000
Title IV -- Student assistance:		
Part A-1 -- Basic opportunity grants	Indefinite[1]	1,050,000,000
Part A-2 -- Supplemental educational opportunity grants: Initial year awards	200,000,000[2]	---
Part A-3 -- State student incentives Initial year awards	50,000,000[2]	44,000,000
Part A-4 -- Special programs for students from disadvantaged backgrounds	100,000,000[1]	70,331,000
Part A-5 -- Sec. 419 Payments to institutions of higher education	1,000,000,000[1]	---
-- Sec. 420 Veterans' cost-of-instruction payments to institutions of higher education	Indefinite[1]	---
Part B -- Subsidized insured loans Interest benefits and special allowance[2]	Indefinite[1]	270,000,000
-- Direct loans under the insured loan program (Sec. 433)	1,000,000	---
Part C -- Sec. 441 Work-study program	420,000,000[1]	250,000,000
-- Sec. 447 Work-study for community services learning program	50,000,000	---
Part D -- Cooperative education program: Planning, establishing, expanding, and carrying out (451(a))	10,000,000[1]	8,000,000
-- Training, demonstration, or research (451(b))	750,000[1]	---
Part E -- National direct student loans: Capital contribution	400,000,000[1]	---
Cancellation of loans for certain public service	Indefinite	8,960,000
Title VII -- Construction of academic facilities:		
Part A -- Grants for construction of undergraduate facilities	300,000,000[1]	---
Part B -- Grants for construction of graduate academic facilities	80,000,000	---
Part C -- Sec. 745 Annual interest grants	79,250,000[2]	---
Part D -- Assistance in major disaster areas	Indefinite	---
Title VIII -- Networks for knowledge	15,000,000	---
Title IX -- Graduate programs:		
Part A -- Grants to institutions of higher education	50,000,000	---
Part B -- Graduate fellowships for careers in postsecondary education	Indefinite[3]	1,000,000
Part C -- Public service fellowships	Indefinite[4]	---

	1976	
	Authorized	Appropriation requested
Part D -- Fellowships for other purposes:		
Sec. 961(a)(1) Mining and mineral and mineral fuel conservation	Indefinite 5/	---
Sec. 961(a)(2) Disadvantaged	1,000,000 6/	---
Sec. 966(a) Assistance for training in the legal profession	Indefinite	750,000
Part F -- General assistance for graduate schools covered under Title IV-A-5 (Sec. 419) above	1/	---
Title XI -- Law school clinical experience program	7,500,000	---
Title XII -- General provisions, Sec. 1202, (c)(2)(A) State postsecondary commissions	Indefinite	---
Sec. 1203 Comprehensive statewide planning	Indefinite 1/	---
Emergency Insured Student Loan Act:		
Special allowance for lenders on insured student loans	Indefinite	182,000,000
National Defense Education Act:		
Title II, Sec. 207 Loans to institutions	Indefinite 7/	---
Title VI -- Language training and area studies--Centers, fellowships, and research	75,000,000 1/	8,640,000
Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays)	Indefinite	1,360,000
Public Law 92-506		
Allen J. Ellender Fellowships	500,000 1/	500,000
Elementary and Secondary Education Act		
Title IX -- Ethnic Heritage	15,000,000	---
Bankhead-Jones Act -- Aid to land-grant colleges, annual appropriation	12,460,000	---
Second Morrill Act -- Aid to land-grant colleges, permanent appropriation	2,700,000	---

1/ Based on a 1-year extension authority under the General Education Provisions Act, Sec. 414(a).

2/ Based on a 1-year extension authority under the General Education Provisions Act, Sec. 414(a). Also includes an indefinite authorization for continuation awards.

3/ Such sums as necessary to fund 7,500 new fellowships plus continuations.

4/ Such sums as are necessary for 500 fellowships.

5/ Such sums as may be necessary for 500 new fellowships and continuiations. This limitation applies to Part D in the aggregate.

6/ Based on a 1-year extension authority under the General Education Provisions Act, Sec. 414(a). Included in the limitation of 500 fellowhips for Part D and, in addition, has a specific limit of $1,000,000.

7/ Such sums as may be necessary, but not to exceed $25,000,000.

Higher Education

		Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966		$ 977,908,000	$ 902,108,000	$ 912,108,000	$ 971,231,000
1967		1,073,494,000	1,164,307,000	1,151,507,000	1,156,307,000
1968		1,153,650,000	1,132,150,000	1,132,150,000	929,255,000
1969		823,020,000	6,920,000	786,852,000	778,620,000
1970		798,284,000	867,833,000	1,009,074,000	831,734,000
1971		837,725,000	880,180,000	1,014,970,000	941,180,000
1972		1,892,754,000	1,193,344,000	1,782,174,000	1,409,354,000
1973		1,618,572,000	1,098,502,000	1,752,432,000	1,682,972,000
1973	Proposed Rescission	-44,300,000	---	---	---
1974		1,747,914,000	1,808,914,000	2,030,914,000	1,862,872,000
1975		2,110,023,000	2,145,271,000	2,119,391,000	2,133,071,000
	Proposed Supplemental	67,400,000			
	Rescission Proposed	-58,300,000			
1976		2,005,541,000			

NOTE: All figures are comparable with the 1976 estimate. For fiscal year 1973, the Budget Estimate combines the first 1973 supplemental request of $499,070,000 and the proposed Budget Amendment of $1,119,502,000. The January budget submission for fiscal year 1973 has not been used since it was superseded by the proposed Amendments and Rescissions. Since it did not consider the first supplemental request, the House allowance represents House action only on the urgent supplemental (P.L. 93-25) and the proposed Amendments. The Senate allowance combines Senate action on all three supplementals. The Senate allowance for strengthening developing institutions on the first supplemental has been adjusted since it would duplicate an allowance for the same program on a subsequent appropriation bill.

The 1974 appropriation shown reflects the 5 percent reduction and a $250,000 supplemental appropriation. Figures for earlier years include appropriate amounts requested and appropriated under "Higher Education Facilities Construction," "Further Endowment of Colleges of Agriculture and the Mechanic Arts," and "Education in Foreign Language and World Affairs."

For comparability, the 1974 and 1975 lines include the following amounts for Ethnic Heritage: 1974 Senate Allowance $5,000,000, Appropriation $2,375 000; and 1975 Senate Allowance and Appropriation $1,800,000. The figures exclude the permanent appropriation for land-grant schools (Second Morrill Act).

Justification

Higher Education

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
1. Student assistance:				
(a) Grants and work-study:				
(1) Basic opportunity grants (HEA IV-A-1)...	$ 650,000,000	$ 650,000,000	$ 857,000,000	$+207,800,000
(NOA)....	(660,000,000)	(660,000,000)	(1,050,000,000)	(+390,000,000)
(2) Supplemental opportunity grants (HEA IV-A-2)...	242,385,298	242,385,298	---	-242,385,298
(NOA)....	(240,300,000)	(240,300,000)	(---)	(-240,300,000)
(3) Work-study (HEA IV-B)	300,200,000	300,200,000	250,000,000	-50,200,000
(b) Subsidized insured loans:				
(1) Interest subsidies (HEA IV-B)	320,516,637	387,916,637	452,000,000	+64,083,363
(NOA)....	(315,000,000)	(382,400,000)	(452,000,000)	(+69,600,000)
(2) Reserve fund advances..	750,000	750,000	750,000	---
(NOA)....	(---)	(---)	(---)	(---)
(c) Direct loans (HEA IV-E):				
(1) Federal capital contributions	321,000,000	321,000,000	---	-321,000,000
(2) Loans to institutions	2,000,000	2,000,000	---	-2,000,000
(3) Teacher cancellations	6,440,000	6,440,000	8,960,000	+2,520,000
(d) Incentive grants for State scholarships (HEA IV-A-3).......	22,068,024	22,068,024	44,000,000	+21,931,976
(NOA)........	(20,000,000)	(20,000,000)	(44,000,000)	(+24,000,000)
Subtotal, Student assistance.........	1,865,359,959	1,932,759,959	1,613,510,000	-319,249,959
(Subtotal, NOA)........	(1,864,940,000)	(1,932,340,000)	(1,804,960,000)	(-127,380,000)
2. Special programs for the disadvantaged - Special services in college, Upward bound, and Educational opportunity centers, (HEA IV-A-4)......	70,331,000	70,331,000	70,331,000	---

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
3. Institutional assistance:				
(a) Strengthening developing institutions (HEA III).				
(1) Basic program..	$ 52,000,000	$ 52,000,000	$ 52,000,000	$ ---
(2) Advanced program..	58,000,000	58,000,000	58,000,000	---
(b) Construction:				
(1) Subsidized loans (HEA VII-C), Sec. 745.	20,000,000	20,000,000	23,000,000	+3,000,000
(NOA)...	(---)	(---)	(---)	(---)
(2) Undergraduate facilities grants (HEA VII-A)...	39,946,000	39,946,000	---	-39,946,000
(NOA)...	(---)	(---)	(---)	(---)
(3) Continuing education centers (HEA 705(a)(2)(c))..	250,000	250,000	---	-250,000
(NOA)...	(---)	(---)	(---)	(---)
(c) Language training and area studies:				
(1) Centers, fellowships, and research (NDEA VI).	11,300,000	8,640,000	8,640,000	---
(2) Fulbright-Hays fellowships (Fulbright-Hays Act).	2,700,000	1,360,000	1,360,000	---
(d) University community services (HEA I)..	14,250,000	900,000	---	-900,000
(e) Aid to land-grant colleges:				
(1) Annual appropriation (Bankhead-Jones Act)	9,500,000	---	---	---
(2) Permanent appropriation (Second Morrill Act)	2,700,000	2,700,000	---	-2,700,000
(f) State postsecondary education commission (GEPA Sec. 421 and HEA Sec. 1203).........	3,000,000	800,000	---	-800,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
3. Institutional assistance - continued:				
(g) Veterans cost of instruction (HEA IV-A-5, Sec. 420).......	$ 23,750,000	$ ---	$ ---	$ ---
(h) Cooperative education (HEA IV-D).	10,750,000	10,750,000	8,000,000	-2,750,000
Subtotal, Institutional assistance	248,146,000	195,346,000	151,000,000	-44,346,000
(Subtotal, NOA).....	(187,950,000)	(135,150,000)	(128,000,000)	(-7,150,000)
4. Personnel Development:				
(a) College teacher fellowships (HEA IX-B).	4,000,000	4,000,000	1,000,000	-3,000,000
(b) Training for disadvantaged (Council on Legal Educational Opportunity) (HEA IX-D, Sec. 966(d))....	1,500,000	1,500,000	750,000	-750,000
(NOA).....	(750,000)	(750,000)	(750,000)	(---)
(c) Ellender fellowships (P.L. 92-506)	500,000	500,000	500,000	---
(d) Public service fellowships (HEA IX-C)..	4,000,000	---	---	---
(e) Mining and mineral conservation fellowships (HEA IX-D, Sec. 961(a)(1))........	1,500,000	---	---	---
Subtotal, Personnel development	11,500,000	6,000,000	2,250,000	-3,750,000
(Subtotal, NOA)......	(10,750,000)	(5,250,000)	(2,250,000)	(-3,000,000)
5. Ethnic heritage (ESEA IX).......	1,800,000	---	---	---
Total...........	2,197,136,959	2,204,436,959	1,837,091,000	-367,345,959
(Total, NOA)....	(2,135,771,000)	(2,143,071,000)	(2,005,541,000)	(-137,530,000)

NOTE: NOA appears only where different from obligations.

Higher Education

General Statement

Consistent with the overall objectives of equalizing educational opportunity, the $2,005,541,000 requested for Higher Education is intended to help those who most need such help to obtain a postsecondary education. Of the total for higher education, 90 percent is for student financial aid, 3.5 percent is for special programs for disadvantaged, and 5.5 percent is for developing institutions which have high percentages of disadvantaged students. Together, these programs account for 99 percent of the request. The request is $137,530,000 less than the revised 1975 level, but it would provide full funding for basic educational opportunity grants for the first time in the 1976-77 school year; that is, full entitlement grants for four classes of students, both full-time and those carrying at least half of a full-time load. The $1,050,000,000 for basic grants would be supplemented by more than $1,650,000,000 in subsidized, guaranteed loans, as well as by work-study, and incentive grants for State scholarships. The request for student aid is $127,380,000 less than the 1975 appropriation, because no funds are requested for supplemental grants or for new direct loan capital.

To encourage students to complete their secondary education, to enroll in postsecondary courses, and to complete those courses, the budget request includes $70,331,000 for special programs for disadvantaged. This activity, which complements financial aid to students, includes talent search, upward bound, special services for disadvantaged, and educational opportunity centers.

In addition to developing institutions, mentioned above, the budget request includes two other institutional assistance programs and it includes three small personnel development programs which will be described in the justification for those activities.

The budget includes a proposed 1975 supplemental appropriation of $67,400,000 for student loan subsidies and a request that $58,300,000 of the 1975 appropriation be rescinded.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Student Assistance:				
(a) Grants and work-study:				
(1) Basic opportunity grants..........	$650,000,000	$650,000,000	$857,800,000	$+207,800,000
(NOA).........	(660,000,000)	(660,000,000)	(1,050,000,000)	(+390,000,000)
(2) Supplemental opportunity grants	242,385,298	242,385,298	---	-242,385,298
(NOA).........	(240,300,000)	(240,300,000	(---)	(-240,300,000)
(3) Work-study......	300,200,000	300,200,000	250,000,000	-50,200,000
(b) Subsidized insured loans:				
(1) Interest on insured loans....	320,516,637	387,916,637	452,000,000	+64,083,363
(NOA).........	(315,000,000)	(382,400,000)	(452,000,000)	(+69,600,000)
(2) Reserve fund advances.......	750,000	750,000	750,000	---
(NOA).........	(---)	(---)	(---)	(---)
(c) Direct loans:				
(1) Federal capital contributions..	321,000,000	321,000,000	---	-321,000,000
(2) Loans to institutions........	2,000,000	2,000,000	---	-2,000,000
(3) Teacher cancellations........	6,440,000	6,440,000	8,960,000	+2,520,000
(d) Incentive grants for state scholarships	22,068,024	22,068,024	44,000,000	+21,931,976
(NOA).........	(20,000,000)	(20,000,000)	(44,000,000)	(+24,000,000)
Total........	1,865,359,959	1,932,759,959	1,613,510,000	-319,249,959
(NOA).......	(1,864,940,000)	(1,932,340,000)	(1,804,960,000)	(-127,380,000)

Narrative

Nearly 90% of the 1976 budget request for Higher Education relates to student assistance, with the bulk of the funds going to the basic opportunity grant program. The amount requested will permit full funding for this program which will entitle eligible students to grants of $1;400 less the amount their families are expected to contribute, but not to exceed one-half the cost of attendance. The remaining half of the student's cost of education will be met by funds provided by the insured loan program, the college work-study program, State scholarships, institutional, private or personal funds. The appropriation request for Student Assistance concentrates funds in the basic opportunity grant and insured loan programs which provide aid directly to students and is thus designed to allow them to choose to attend institutions on the basis of their academic interests and career needs rather than on an institution's ability to provide them with financial aid. The $44,000,000 requested for State scholarship incentives is more than double the 1975 appropriation.

As in the 1974 and 1975 requests, special language is proposed to waive the requirements that supplemental grants and direct loan capital be funded before basic grants may be paid. The budget request assumes that putting the money into basic grants, rather than supplemental grants or direct loans is a more effective way of helping students who need it the most. Furthermore, the direct loan capital in institutional revolving funds is expected to be about $2,500,000,000 in 1976-77. It is estimated that the net of repayments, institutional expenses, and other transactions will make $ 164,000,000 available for new direct loans.

The budget request assumes that 1,323,600 students will receive basic grants in 1976-77. While the 1976-77 effect of guaranteed student loans relates to the 1977 appropriation, it is likely that at least 1,100,000 students will receive such loans. In addition, 520,000 will have work study jobs, 328,000 will receive direct loans (funded by loan repayments), and 176,000 will recieve State scholarships in which States match Federal funds dollar for dollar. While too little is known about overlap of these programs to allow an unduplicated count of students to be calculated, it seems likely that the range is 2.0 to 2.5 million.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Student assistance:				
(a) Grants and work-study:				
(1) Basic educational opportunity grants				
New awards.........	$660,000,000	$660,000,000	$1,050,000,000	+ $390,000,000
Number of students assisted...	1,107,600	1,107,600	1,323,600	+ 216,000
(Obligations)....	(650,000,000)	(650,000,000)	(857,800,000	+ (270,800,000)

Narrative

Program Purpose

To help qualified students finance their postsecondary education, Title IV subpart A-1 of the amended Higher Education Act provides grants to students at collegiate, postsecondary vocational, technical trade and proprietary institutions who are carrying at least half of a normal full-time load. Student eligibility is based primarily on need as determined by a formula which is developed by the Office of Education and approved by Congress annually. Once approved, the formula is applied to all applicants for the entire academic year. Since the formula is reviewed and approved on an annual basis, students must apply every year. The amount of each student's grant is based on need and the cost of attendance at the school in which the student enrolls. At full funding grants range from $200 to $1400. At less than full funding awards are reduced in accordance with a schedule included in the authorizing legislation.

Eligible students may receive Basic Grant awards for up to four academic years except under certain circumstances this duration of eligibility may be extended to five years. The program is forward funded; that is, the fiscal year 1976 appropriation is for academic year 1976-77.

Plans for fiscal year 1976

For 1976,$1,050,000,000 is requested for full funding for this program;that is, full entitlement grants for all four classes, and for students carrying at least half of a full-time load as well as for full-time students, as authorized by the basic law. This would be the first time that the program has been fully funded. It is estimated that 1,323,600 students would receive grants averaging $785 and ranging from $200 to $1,400 during the 1976-77 academic year. It should be recognized that the several elements entering into an estimate of full funding cannot be determined precisely in advance. Those elements include the following: (a) the family contribution schedules, (b) the number of potential eligibles who actually apply, and (c) the mix of attendance costs.

Special language is proposed to waive the provision of the law that requires appropriation of specified amounts for supplemental grants and for direct loans as a pre-condition to paying basic opportunity grants.

Of the $1,050,000,000 total, $11,500,000 is earmarked for administrative contracts. The main items are for printing and processing applications and for the fund distribution system. Important but smaller contracts include those for gathering and processing data, and for training student financial aid officers.

A provision will be proposed to the Congress which, within limits, would permit adjustments of funds between fiscal years. This provision would assure that students would receive the level of grants specified in the payment schedule if in a certain fiscal year funds are not sufficient to make this level of awards. If this situation should occur, the deficit could be paid from the subsequent fiscal year's appropriation. Similarly, if there are any unobligated funds in one fiscal year, these funds can be added to the subsequent fiscal year's appropriation. Pending revision of the authorizing legislation, special appropriation language is requested in 1976 to accomplish the same purpose.

Accomplishments in fiscal years 1974 and 1975

The 1975 appropriation of $660,000,000 will provide $648,500,000 for basic grants averaging $586 to 1,107,600 students during academic year 1975-76. Participation in the program is restricted to students who began or will begin their postsecondary education after April 1, 1973 and who will be enrolled on at least a half-time basis. The remaining $11,500,000 is available for contractual administrative expenses related to the operation of the Basic Grant Program.

In fiscal year 1974, the appropriation of $475,000,000 plus an estimated $60,000,000 carryover of 1973 funds is expected to provide grants averaging $776 to 689,000 students in academic year 1974-75. These awards will range from $100 to $1050, depending on the student's expected family contribution and the cost of education. The Second Supplemental Appropriation Act of 1974 (P.L. 93-305) authorized the carry forward to academic year 1974-75 of the 1973 funds not needed to meet the 1973-74 payment schedule, so that they could be applied to the 1974-75 payment schedule. Participation in the program is restricted to full-time students who enrolled in postsecondary education after April 1, 1973. Administrative contracts, during 1974, can be financed by funds brought forward from 1973, leaving the full $475,000,000 available for program grants.

SUPPLEMENTAL FACT SHEET

Basic Educational Opportunity Grants

Legislative requirements

The law limits payments, specifies how grants are to be adjusted to appropriation at less than full funding, and requires that the Commissioner submit a schedule of expected family contribution to Congress.

A. Statutory formula for grant size: When the family contribution schedule is accepted, and interpreted for a student, a grant size is determined by application of a statutory formula in the authorizing legislation:

(1) At full funding: the program provides a grant of $1,400 less expected family contribution, but not to exceed one-half of the cost of attendance.

(2) At less than full funding: grants are to be adjusted to available funds by the following formula:

(a) If $1,400 minus expected parental contribution is:

more than $1,000	pay 75% of the entitlement amount
$801 to $1,000,	pay 70% of the entitlement amount
$601 to $800,	pay 65% of the entitlement amount
-0- to $600,	pay 50% of the entitlement amount

No grant, however, shall be more than one-half of the "need" (cost minus parental contribution), unless available funds are 75 percent (but less than 100%) of the amount needed for full funding, in which case no grant shall be more than 60 percent of "need".

(b) The authorizing legislation provides that if available funds exceed the amount needed to pay grants computed by the above reduction formula, the excess will be paid in proportion to the difference between the amount found by the above formula and the amount that would have been paid at full funding

(c) If available funds are less than needed to pay grants computed by the reduction formula, then grants are prorated down to the amount available.

(d) At full funding, no grants at less than $200 will be paid; at less than full funding, the minimum grant is $50.

B. Family Contribution Schedule: The law requires the Commissioner to submit to Congress, by the first of February, a schedule indicating amounts families in given financial circumstances will be expected to contribute toward the student's educational expenses. Congress is to react by the first of May, and, if Congress disapproves the schedule, the Commissioner must resubmit a schedule within 15 days. The family contribution schedule, together with rules governing allowable costs, are important determinants of the number of participants and size of an individual's grant.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Student assistance:				
(a) Grant and work-study:				
(2) Supplemental educational opportunity grants				
Initial year grants [1]..	$124,940,000	$124,940,000	---	$-124,940,000
Continuing year grants..	115,360,000	115,360,000	---	-115,360,000
Total...............	240,300,000	240,300,000	---	-240,300,000
(Obligations)	(242,385,298)	(242,385,298)	( )	(-242,385,298)

[1] These are first year awards for the students, not for recipient institutions.

Narrative

Program Purpose

To help make available the benefits of postsecondary education to qualified students of exceptional financial need, Part 2, Subpart A of Title IV of the Higher Education Act authorizes a program of supplemental educational opportunity grants to be provided through institutions of higher education.

The program is forward funded, that is, the appropriation for a given fiscal year is obligated to the institutions during that fiscal year to enable them to make payments to students during the following fiscal year. The amount paid to students under this program may not exceed one half of the total amount of financial aid made available to them by the institution. Students may receive up to $1,500 a year provided their need is at least twice that amount and that the institution has given them other financial aid at least equal to their Supplemental Grant.

Allotments to States for initial year awards are based on the number of full-time higher education students in a State compared with the total of such enrollment in the U.S. Allocations to institutions within a State are made on the basis of approved institutional applications. The approved requests are prorated down to remain within the allotment to the State by formula. Continuation awards are distributed according to need.

Plans for fiscal year 1976

No funds are requested for supplemental grants in 1976. Basic grants are seen as a more efficient way to aid the neediest students.

Accomplishments in fiscal years 1974 and 1975

The 1975 appropriation of $240,300,000 will be obligated to approximately 3,460 institutions during fiscal year 1975 to enable them to make Supplemental Grants to an anticipated 347,000 students in academic year 1975-76.

The 1974 appropriation of $210,300,000 was used to provide funds to 3,250 institutions to make it possible for them to provide Supplemental Grants to an anticipated 304,000 students in academic year 1974-1975.

SUPPLEMENTAL FACT SHEET

Supplemental Educational Opportunity Grants

Supplemental Educational Opportunity Grants	Academic Year 1974-75		Academic Year 1975-76		Academic Year 1976-77	
	Students	Amount	Students	Amount	Students	Amount
Initial-year grants...............	160,000	$97,087,000	198,000	$121,301,000	---	---
Administrative expenses...........	---	2,913,000	---	3,639,000	---	---
Continuation grants...............	144,000	107,087,000	149,000	112,000,000	---	---
Administrative expenses...........	---	3,213,000	---	3,360,000	---	---
Total program.............	304,000	210,300,000	347,000	240,300,000	---	---
Average grant						
(Initial year average)	($607)		($613)		---	
(Continuation average)	($744)		($752)		---	

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Student assistance:				
(a) Grants and work-study:				
(3) Work-study.......	$300,200,000	$300,200,000	$250,000,000	$-50,200,000
Number of students aided..............	624,000	624,000	520,000	-104,000

Narrative

Program purpose

To help students earn a part of the cost of their postsecondary education, Title IV-C of the Higher Education Act authorizes grants to institutions for partial reimbursement of wages paid to students working part-time on or off campus in public or nonprofit organizations. Federal funds pay 80 percent of the students' wages. The remainder is paid by the institution, employer, or some other donor.

Funds are awarded and administered under an agreement between the Commissioner of Education and each eligible institution of higher education, proprietary institution of higher education, or area vocational school. The institution applies for funds it expects to require for its students who are in need of earnings to pursue their course of study. The applications are reviewed by a Regional Panel composed of practicing financial aid officers and Federal financial aid staff members. Allotments are distributed among the States, territories and the District of Columbia in accordance with statutory formulae. These funds in turn are distributed among the institutions within a State by formula based on the Regional Panel's recommendation. This program is forward-funded.

Plans for fiscal year 1976

Work study continues to be seen as an integral component of a balanced student aid package. While the primary emphasis is placed on basic grants and guaranteed student loans as the most effective means of equalizing educational opportunity, it is recognized that a comprehensive aid program requires a work-study component.

The 1976 request of $250,000,000 would provide 520,000 needy postsecondary students with jobs during academic year 1976-77, paying an average wage of $580.

Accomplishments for fiscal year 1974 and 1975

The appropriation for fiscal year 1975 was $300,200,000, from which grants will be awarded to a projected 3,250 institutions to provide employment during academic year 1975-76 for approximately 624,000 students earning average wages of $580. The 1974 appropriation of $270,200,000 was obligated to 3,154 institutions to pay the Federal share of wages for 560,000 students employed during academic year 1974-75.

SUPPLEMENTAL FACE SHEET

College Work-Study

	Academic Year 1974-75 Estimate	Academic Year 1975-76 Estimate	Academic Year 1976-77 Estimate
Gross compensation..................	$325,540,000	$361,690,000	$301,205,000
Federal share of compensation........	260,430,000	289,350,000	240,964,000
Administrative expenses paid to institutions......................	9,770,000	10,850,000	9,036,000
Total Federal funds..................	$270,200,000	$300,200,000	$250,000,000
Number of students..................	560,000	624,000	520,000
Annual average earnings.............	$580	$580	$580 1/

1/ No increase in average is estimated, despite cost of education increases, because an increasing share of student costs will be borne by the basic grants program, and because student financial aid officers are expected to make the funds help as many students as possible.

OFFICE OF EDUCATION

HIGHER EDUCATION

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Student Assistance:				
Subsidized insured loans:				
Interest............	$225,000,000 1/	$229,400,000 1/	$267,000,000	+ $37,600,000
Special Allowance....	87,000,000	150,000,000	182,000,000	+ 32,000,000
Death and Disability.	3,000,000	3,000,000	3,000,000	-------
Total.......	315,000,000 1/	382,400,000 1/	452,000,000	+ 69,600,000
Number of New Loans	(979,000)	(1,000,000)	(1,100,000)	(+100,000)
(Obligations)	($320,516,637)	($387,916,637)	($452,000,000)	(+$64,083,363)

1/ Plus carryover balance of $5,516,637.

Narrative

Purpose:

To help students finance educational costs at eligible postsecondary institutions, Title IV-B of the Higher Education Act of 1965, as amended, authorizes a program of guaranteed and subsidized loans. The guaranteed student loan program enables students to borrow from private lenders to help pay for the cost of education and training at over 8,700 eligible universities, colleges, and vocational schools. Loans are either guaranteed by State or private nonprofit agencies or insured by the Federal Government. Guaranteed loans are made to eligible students primarily by 19,000 commercial lenders. Currently 172 educational institutions and a few State agencies also make loans. A maximun of $2,500 per academic year may be applied for in most States if the educational costs require borrowing to this extent. Total loans outstanding may not exceed $7,500 for undergraduate or vocational students. This aggregate maximum may be extended to $10,000 for students who borrow for graduate study. The Federal government pays interest on behalf of eligible students while they are in school, during a maximum 12-month grace period, following graduation or withdrawal from school and authorized periods of deferment.

On April 18, 1974, the law was liberalized to provide that any student whose adjusted family income is less than $15,000 is automatically eligible for up to a 7 percent subsidy on loans totalling up to $2,000 in any academic year. Such students who wish a subsidized loan in excess of $2,000 or students, having adjusted family incomes of $15,000 or greater and applying for a subsidized loan of any amount, must submit to the lender the school's recommendation for a subsidized loan based upon the school's assessment of the family's ability to pay for the cost of education.

A special allowance is authorized to be paid to lenders when the Secretary of Health, Education, and Welfare, in consultation with the Secretary of the Treasury, and the Director of the Office of Management and Budget, determines that economic conditions are impeding or threatening to impede the fulfillment of the purposes of the program or that the return to the lender is less than equitable. The rate may not exceed three percent per annum on the average quarterly unpaid principal balance of loans made after August 1, 1969, whether or not the loan qualifies for Federal interest benefits.

In the case of the borrower's death or total and permanent disability, the Federal government pays the outstanding principal and interest on loans made after December 15, 1968. Claims for defaulted loans are paid from the Student Loan Insurance Fund and, therefore, are not included in the amounts shown above.

Plans for Fiscal Year 1976:

An additional $69.6 million is requested for fiscal year 1976. Of this increase, $37.6 million is for payment of the 7 percent interest subsidy on loans made in prior years plus an increase in new loans from 905,000 in fiscal year 1975 to an estimated 995,000 in fiscal year 1976. Of the $267 million interest subsidies total for fiscal year 1976 (See Supplemental Fact Sheet), $52 million is for subsidies on the 995,000 new loans totaling $1.5 billion, and $215 million is for continuing subsidy payments on $3.6 billion in prior year loans for students who are still in school or on authorized deferrel status and eligible for continuing Federal subsidy payments.

Of the total increase for fiscal year 1976, $32 million is for special allowance which is paid to lenders, depending on money market conditions, to encourage participation in the program. The total requested $182 million for this program in fiscal year 1976 will permit continuation of the 3 percent maximum additional interest payment estimated for fiscal year 1975 on $6.1 billion in outstanding loans. The additional 3 percent allowance provides for an effective return to lenders of 10 percent. While funds are included for paying the maximum, this is only an estimate. The actual special allowance payment is determined quarterly by the Secretary of Health, Education and Welfare in consultation with the Secretary of the Treasury and the Director of the Office of Management and Budget.

Accomplishments for Fiscal Years 1974/1975:

Obligations covering interest payments increased from $222 million in fiscal year 1974 to $234.9 million in fiscal year 1975. This $12.9 increase resulted from an increase in new loans from $1.0 billion in fiscal year 1974 to $1.3 billion in fiscal year 1975 and continuing subsidy payments on $3.3 billion in prior year loans

Obligations for special allowance increased for $85 million in 1974 to $150 million in 1975. This increase of $65 million relates to an increase in the special allowance rate from 2.8 percent in 1974 to the maximum 3 percent in 1975, and to an increase in loans outstanding from $4.7 billion in 1974 to $5.3 billion in 1975.

Through our Operational Planning System, objectives were set to increase on-site reviews of interest benefits and special allowance billings during period covered. The program is upgrading its computer information system resources in order to more accurately determine the verification of such billings.

SUPPLEMENTAL FACT SHEET
GUARANTEED STUDENT LOAN PROGRAM

Federally Insured Loan Program
and
Guarantee Agency Program

	Fiscal Year 1974		Fiscal Year 1975		Fiscal Year 1976	
	Number (000)	Amount (millions)	Number (000)	Amount (millions)	Number (000)	Amount (millions)
Loans Committed						
Start of Year	6,031	5,833	6,970	6,974	7,970	8,374
Current Year	939	1,141	1,000	1,400	1,100	1,650
End of Year	6,970	6,974	7,970	8,374	9,070	10,024
Loans Disbursed						
Start of Year	5,586	5,394	6,435	6,425	7,340	7,693
Current Year	849	1,031	905	1,268	995	1,492
End of Year	6,435	6,425	7,340	7,693	8,335	9,185
Cumulative Disbursed Loans Paid-In Full, Defaults and Writeoffs		1,715		2,373		3,085
Cumulative Disbursed Loans Outstanding		4,710		5,320		6,100
In Repayment		1,416		1,679		2,026
In School		3,294		3,641		4,074
Percent of Outstanding, Loans in School		70%		68%		67%
Yearly Disbursed Matured Loans		718		921		1,059
Cumulative Disbursed Matured Loans		3,131		4,052		5,111
Interest Benefits, Special Allowance & Death & Disability Payments						
Appropriations		$310,000,000		$382,400,000		$452,000,000
Obligations		$310,000,000		$387,916,637		$452,000,000
Obligations by Type:						
Interest Benefits		$222,000,000		$234,916,637		$267,000,000
New Loans		(36,100,000)		(44,385,000)		(52,000,000)
Prior Year Loans		(185,900,000)		(190,531,637)		(215,000,000)
Special Allowance		85,000,000		150,000,000		182,000,000
Death and Disability		3,000,000		3,000,000		3,000,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Student assistance:				
(c) Direct loans:				
(1) Federal capital contributions	$321,000,000	$321,000,000	---	-$321,000,000
(2) Loans to institutions	2,000,000	2,000,000	---	-2,000,000
(3) Teacher cancellations	6,440,000	6,440,000	$8,960,000	+2,520,000

Narrative

Program Purpose

To provide long-term, low-interest loans to financially needy post-secondary students to enable them to pursue their courses of study at institutions of higher education, Part E of Title IV of the Higher Education Act authorizes a program of contributions to student loan funds at such eligible institutions. All or a portion of the loan to a student may be cancelled in consideration of subsequent service in certain kinds of teaching or subsequent military service in a combat zone. The program is forward funded. Capital contributions are distributed among States in accordance with a statutory formula. Within a State's allotment, awards to schools are based on recommendations of panels that review the institutions; requests. Under an agreement between the Commissioner of Education and the eligible institution, a revolving student loan fund is created at the institution, with 90 percent Federal Capital Contribution and 10 percent Institutional Capital Contribution. Loans bear 3 percent interest, beginning 9 months after the student ceases at least half-time attendance at an eligible institution.

Plans for fiscal year 1976

No new Federal capital contributions are requested for 1976. It is estimated that by the end of fiscal year 1976 the revolving funds at participating institutions will be about $2,800,000,000. If due diligence is exercised in loan collection, this amount of capital should provide an annual loan level of more than $200,000,000 within a few years. The net amount expected to be available from collections in fiscal year 1976 is $164,000,000. At an average student loan of $500, the estimated net available collections of $164,000,000 will provide loans to 328,000 students.

The purpose of a new Federal Capital Contribution to an institution is to establish or augment a revolving student loan fund. In academic year 1975-76 an estimated 3,100 institutions are expected to participate in making loans to students. Growth in the number of participants has occurred at a rate of approximately 200 per year since fiscal year 1971.

Primary reliance for access to loan support will continue to be placed on the Guaranteed Student Loan program. Approximately $1,600,000,000 in new loans is expected to be available under this program in 1976.

Since no funds are requested for capital contributions, none will be needed for loans to institutions to help schools meet matching requirements on such contributions.

The increase of $2,520,000 requested for teacher/military cancellations reflects the statutory change which provides for 100 percent reimbursement to institutions for cancellations granted on loans made after June 30, 1972. On earlier loans, the amount paid to the institutions for such cancellations is only the institutions' share of the cancelled loans (that is, approximately 11.5 percent). In future years the amount of payments made on account of teacher/military cancellations can be expected to increase as an increasingly larger percentage of the cancelled loans come to be those made after June 30, 1972.

Accomplishments for fiscal years 1974 and 1975

The 1975 appropriation of $321,000,000 for Federal capital contributions will be obligated during fiscal year 1975 to enable the institutions to draw funds for academic year 1975-76 for the purpose of establishing or augmenting their revolving student loan funds. Counting this new infusion of Federal capital, the institutional matching share, and the net funds available from collections, the total amount of funds available to the institutions for making loans to students during academic year 1975-76 is expected to be more than $506,000,000. At an average loan of $690 that dollar volume will provide assistance to 734,000 students. As indicated by the supplemental fact sheet, institutions are allowed to take 3% of the loan volume out of their revolving funds for administrative expenses.

The fiscal year 1974 appropriation of $286,000,000 for new Federal capital contributions plus the institutional matching share and the new funds available from collections, brings the total amount of funds available to the institution for lending in academic year 1974-75 to $462,958,000. This level of lending will provide loans averaging $690 to 671,000 students in 2,800 institutions of higher education.

SUPPLEMENTAL FACT SHEET

Direct Loans

	Academic Year 4/ 1974-75	Academic Year 4/ 1975-76	Academic Year 4/ 1976-77
Federal capital contributions	$286,000,000	$321,000,000	---
Institutional capital contributions	32,847,000	36,867,000	---
New Collections 1/	160,000,000	165,000,000	170,000,000
Collections brought forward 1/	30,000,000	32,000,000	33,000,000
Subtotal	$508,847,000	$554,867,000	$203,000,000
Collections carried forward to following year 1/	-32,000,000	-33,000,000	-34,000,000
Administration (3% of loan volume)	-13,889,000	-15,200,000	-4,922,000
Total loans	$462,958,000	$506,667,000	$164,078,000
Number of loans (students)	671,000	734,000	328,000
Average loan	$690	$690	$500
Number of institutions	2,800	3,100	2,000
Loans to institutions 2/			
Amount	$2,000,000	$2,000,000	---
Number of institutions	88	100	---
Cancellations			
Total amounts	$60,000,000	$70,000,000	5/
Number of students	300,000	350,000	5/
Federal payments (for prior year) 3/	$6,440,000	$8,960,000	5/

1/ The net amount available from collections is further reduced by the 3 percent withdrawal for administrative expenses (shown).

2/ Loans to institutions are made from current-year appropriations after the amount of the new Federal capital contribution which the institution will receive is known.

3/ The appropriation for a given fiscal year is obligated during that fiscal year to make payments to institutions for cancellations reported on the fiscal-operations report submitted as of the end of the previous fiscal year.

4/ In each column the amount shown for Federal capital contribution is from the appropriation for the previous year, while the amounts shown for loans to institutions and for cancellations are from the appropriation for the current year as explained in the Narrative and in notes 2 and 3.

5/ Relates to the fiscal year 1977 budget.

SUPPLEMENTAL FACT SHEET (Continued)
Direct Loans

Breakdown of New vs Continuing Grants

	1975 Base	1976 Estimate	Increase or Decrease
National Direct Student Loans			
(1) Federal Capital Contributions			
(a) New starts: Dollars	$109,000,000	-0-	-0-
Institutions	300	-0-	-0-
(b) Continuations: Dollars	$212,000,000	-0-	-0-
Institutions	2,800	-0-	-0-
(c) Total: Dollars	$321,000,000	-0-	-0-
Institutions	3,100	-0-	-0-
(2) Loans to Institutions			
(a) New starts: Dollars	$200,000	-0-	-0-
Institutions	20	-0-	-0-
(b) Continuations: Dollars	$1,800,000	-0-	-0-
Institutions	80	-0-	-0-
(c) Total: Dollars	$2,000,000	-0-	-0-
Institutions	100	-0-	-0-
(3) Teacher/military cancellations			
(a) New starts: Dollars	-0-	-0-	-0-
Institutions	-0-	-0-	-0-
(b) Continuations: Dollars	$6,440,000	$8,960,000	+$2,520,000
Institutions	1,800	1,900	+100
(c) Total: Dollars	$6,440,000	$8,960,000	+$2,520,000
Institutions	1,800	1,900	+100

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
1. Student assistance:				
(d) Incentive grants for State scholarships (HEA IV-A-3)........	$20,000,000	$20,000,000	$44,000,000	$24,000,000
New and continuation awards 1/	$20,000,000	$20,000,000*	$44,000,000**	$24,000,000
Number States and Territories..................	54	54	56	2
Estimated number student recipients.............	80,000	80,000*	176,000**	96,000

* Two classes of students
** Three classes of students

1/ Assumes a $500 average student award, of which half ($250) is from Federal program funds and the remainder from State funds. Continuation awards assume about 20% dropout after the first year and 10% in subsequent years.

Narrative

Program Purpose

The State Student Incentive Grant Program as authorized by Section 415 of Title IV-A-3 of the Higher Education Act, makes incentive grants to States to stimulate them to establish or expand scholarship assistance to undergraduate students with substantial financial need. Based on their higher education enrollments, States receive grants to be matched by funds from State resources for making initial and continuation awards to students. Each State designates an official State agency to administer the program.

All student grants must be made up of equal portions of Federal and State funds. To qualify for Federal incentive funds for initial awards, States must continue to spend in excess of a previously established base level of effort for student grants and must cover related administration costs. Award funds not matched by one State may be reallocated to other qualified States. Under a definition of "substantial financial need" annually approved by the Commissioner, States provide grants for students from a wide range of low- and middle-income families.

The scholarships, including the State share, average $500. The maximum is $1500.

Plans for fiscal year 1976

The $44,000,000 requested for fiscal year 1976 will enable States to provide initial and continuation awards (averaging $500 in matching Federal and State funds) to approximately 176,000 students in 56 participating States and Territories. Since States must match Federal funds dollar for dollar, the $44,000,000 will produce $88,000,000 in scholarships.

Accomplishments for fiscal years 1974 and 1975

Because the fiscal year 1975 appropriation of $20 million was a lump sum to cover both of the separate authorizations, for initial and continuation awards, States were granted flexibility in dividing their allotments between the two types of awards according to their particular circumstances. Out of the $20 million appropriation, an estimated $15 million will be devoted to continuation awards to approximately 80 percent of the students who received initial awards the previous year.

The remaining $5 million will cover initial awards for a second group of students in the 50 States and Territories participating in fiscal year 1974 and permit the start-up of new programs in the remaining States and Territories.

In fiscal year 1974, the program's first year of operation, incentive grants totalling $19,000,000 were awarded to 50 States and Territories to establish or expand eligible matching scholarship programs. These limited funds generated new scholarships by the States to approximately 76,000 students at an average of $500 (Federal plus State matching funds). Out of the 50 participating States and Territories, funds for this program provided incentive for 23 States to develop entirely new State scholarship programs and for 27 others to expand existing scholarship activities. To qualify for participation, each State and Territory designated a single State agency to administer its scholarship program, drawing upon expanded State resources to match Federal award dollars.

SUPPLEMENTAL FACT SHEET

State Student Incentive Grant Program

	Appropriations			
	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Number States and Territories Participating................	54	54	56	2
Estimated Average Award........	($500)	($500)	($500)	--
From Federal Funds...........	250	250	250	--
From State Funds.............	250	250	250	--
Estimated Number Students Receiving Initial and Continuation Awards 1/.............	80,000	80,000	176,000	96,000
New.........................	20,000	20,000	109,000	
Continuation...............	60,000	60,000	67,000	
Federal Incentive Funds Available to States and Territories.......................	$20,000,000	$20,000,000	$44,000,000	$24,000,000
New State Matching Funds Added.	$20,000,000	$20,000,000	$44,000,000	$24,000,000
Total to Students.........	$40,000,000	$40,000,000	$88,000,000	$48,000,000

1/ Continuation awards assume about 20 percent dropout after the first year and about 10 percent in subsequent years.

	1975 Estimate	1976 Revised	1976 Estimate	Increase or Decrease
Special programs for the disadvantaged	$70,331,000	$70,331,000	$70,331,000	$ ---
(a) New awards.................	3,868,000	3,868,000	3,868,000	---
Number...................	52	52	52	---
(b) Non-competing renewal awards.....................	55,396,000	55,396,000	55,396,000	---
Number...................	687	687	687	---
(c) Competing renewal awards..	11,067,000	11,067,000	11,067,000	---
Number...................	140	140	140	---
Total number awards	879	879	879	---

Narrative

Program Purpose

To encourage and assist youths from low-income families who have potential to enter, continue, or resume programs of postsecondary education, Part A, Subpart 4 of Title IV of the Higher Education Act authorizes four programs: talent search, designed to identify qualified youths of financial or cultural need, including secondary school and college dropouts of demonstrated aptitude, and encourage them to enter or reenter postsecondary educational programs; upward bound, which provides skills and motivation for success in education beyond high school for students with inadequate secondary school preparation; special services for disadvantaged students which provides remedial and other special services for students with academic potential but who, by reason of deprived educational, cultural, or economic background, physical handicap, or, as a result of limited English-speaking ability, are in need of such services to assist them to initiate, continue or resume their postsecondary education; and educational opportunity centers, designed to serve areas with major concentrations of low-income populations by providing information and assistance to residents of a defined target area in applying to institutions of postsecondary education, in securing financial aid, and counseling, tutoring and guidance for such students once enrolled in postsecondary educational programs.

The first three programs are fully operational. The educational opportunity center program, initiated in fiscal year 1974, will support 12 pilot projects.

All four programs are funded through discretionary grants or contracts are awarded to institutions of higher education, combinations of such institutions, public and private agencies and organizations (including professional and scholarly associations), and in exceptional cases, to secondary schools and secondary vocational schools. The program is forward funded.

The educational opportunity center program calls for a 25 percent matching requirement. Special services for disadvantaged students projects which serve students of limited English-speaking ability must include provisions for special instruction in the English language for such students.

The program is forwarded funded, that is, funds appropriated for fiscal year 1975 will be utilized to provide services during the following academic year 1975-76.

Plans for fiscal year 1976

The $70,331,000 requested for fiscal year 1976 will serve approximately 302,657 students through 879 projects. Activities are designed to narrow the gap in educational attainment between the low-income and the population as a whole, and are designed to provide equalized educational opportunities for students from disadvantaged backgrounds.

Support for a limited number of national demonstration projects will enable the testing of new or experimental designs, that have a degree of replicability, that can be utilized by other educational programs concerned with the education of disadvantaged. For the past three years, the Hancock County upward bound project has demonstrated the feasibility of a parallel uward bound project within a rural county school system. Other projects include a special services project in the sciences at the graduate level at the University of California, Berkeley, a Spanish language program in the Humanities at Claremont College, an environmental-ecological project in Kentucky, and special projects designed for Indian participants in Florida, Nebraska, North and South Dakota. All models utilize a wide variety of approaches to determine the effective ways that may be utilized to improve educational opportunities for disadvantaged young people.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1974, the educational opportunity centers program was initiated. Twelve pilot centers were funded at $3 million from 182 proposals requesting more than $42 million in Federal funds. The centers will serve approximately 50,000 individuals. Grantees represent a diversity of eligible institutions or agencies: State agencies (1); local public or private agencies (2); formal consortia of postsecondary institutions (4); universities (2); community colleges (2); and technical-vocational schools (1). Fifty-nine postsecondary institutions are participating in the twelve Centers. During the initial year, the Centers will

In both fiscal years 1974 and 1975, the upward bound program will continue to emphasize a commitment to veterans who lack the educational background to take advantage of the postsecondary educational benefits of the GI bill. The special services for disadvantaged students program will extend program services to a newly authorized clientele, students of limited English-speaking ability.

SUPPLEMENTAL FACT SHEET

Special Programs for the Disadvantaged

A. Comparison of Education Attainment of Total Population (Aged 14-21) with Low Income Persons (Aged 14-21).1/

Educational Attainment	Low Income (Aged 14-21)		Total Population (Aged 14-21)		Low Income as % of the total population
	no.	% of total	no.	% of total	
Less than 5 years	56,000	1.41	138,000	.44	.18
6-8 years	1,274,000	32.13	7,195,000	23.21	4.11
1-3 years High School	1,650,000	41.61	12,799,000	41.28	5.32
4 years High School	637,000	16.07	7,069,000	22.80	2.05
1 year or more College	348,000	8.78	3,805,000	1[illegible].27	1.12
Totals	3,965,000	100.00	31,006,000	(10[illegible]%)	12.78

B. Comparison by income of dependent individuals between ages 18 to 24 years old.2/

Family	Total Population	Percent of age group not enrolled, not high school graduate		Percent of age group in college	
All income	12,854,000	13%	(1,688,000)	37%	(4,793,000)
$0 - 2,999	917,000	41%	(380,000)	14%	(132,000)
$3,000 - 4,999	1,133,000	28%	(320,000)	20%	(231,000)
$5,000 - 7,999	1,5[illegible],000	19%	(285,000)	28%	(425,000)
$7,500 - 9,999	1,505,000	12%	(179,000)	32%	(484,000)
$10,000 - 14,999	3,257,000	8%	(259,000)	40%	(1,312,000)
$15,000 - over	3,453,000	4%	(136,000)	53%	(1,829,000)
Not reported	1,049,000	12%	(129,000)	36%	(380,000)

1/ Characteristics of the Low Income Population, 1972, Series P-60, #91 (December 1973), Current Population Reports, Table 13.

2/ Social and Economic Characteristics of Students, Series P-20, #260 (February, 1974), Current Population Reports, Table 13. Statistical Abstract of the United States, 1973 reports the total population of this age group for both dependent and independent students at 26,004,000.

STATISTICAL PROJECTION FOR SPECIAL PROGRAMS FOR THE DISADVANTAGED
(1973 figures, except for Upward Bound, are based on summary project statistical reports.)

	ACTUAL 1973	ESTIMATE 1974	ESTIMATE 1975	ESTIMATE 1976
TALENT SEARCH				
Federal dollars	$5,814,937	$6,000,000	$6,000,000	$6,000,000
# of students	109,025	112,515	112,515	112,515
Cost per student	$53	$53	$53	$53
# of projects	114	120	120	120
Cost per project	$51,008	$50,000	$50,000	$50,000
UPWARD BOUND				
Regular projects				
Federal dollars	$34,292,683	$34,243,500	$34,243,500	$34,243,500
# of students	31,875	31,875	31,875	31,875
Cost per student	$1,076	$1,074	$1,074	$1,074
# of projects	351	359	359	359
Cost per project	$97,700	$95,385	$95,385	$95,385
Special Veterans Projects				
Federal dollars	$4,038,317	$4,087,500	$4,087,500	$4,087,500
# of students	34,316	34,316	34,316	34,316
Outreach only	(25,310)	(25,310)	(25,310)	(25,310)
Academic preparation	(9,006)	(9,006)	(9,006)	(9,006)
# of projects	66	57	57	57
Cost per project	$61,187	$71,711	$71,711	$71,711
SPECIAL SERVICES FOR DISADVANTAGED STUDENTS				
Federal dollars	$22,929,436	$23,000,000	$23,000,000	$23,000,000
# of students	73,951	73,951	73,951	73,951
Cost per student	$310	$311	$311	$311
# of projects	322	331	331	331
Cost per project	$71,209	$69,486	$69,486	$69,486
EDUCATIONAL OPPORTUNITY CENTERS				
Federal dollars	0	$3,000,000	$3,000,000	$3,000,000
# of students	0	50,000	50,000	50,000
Cost per student	0	$60	$60	$60
# of projects	0	12	12	12
Cost per project	0	$250,000	$250,000	$250,000
TOTAL (Students)	249,167	302,657	302,657	302,657
(Projects)	853	879	879	879

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Institutional Assistance:				
(a) Strengthening developing institutions (HEA III):				
(1) Basic program......	$52,000,000	$52,000,000	$52,000,000	---
(2) Advanced program...	58,000,000	58,000,000	58,000,000	---
(b) Construction:				
(1) Subsidized loans (HEA VII -C, Sec. 745).........	20,000,000	20,000,000	23,000,000	+3,000,000
(NOA)	(---)	(---)	(---)	(---)
(2) Undergraduate facilities grants (HEA VII-A).......	39,946,000	39,946,000	---	-39,946,000
(NOA)	(---)	(---)	(---)	(---)
(3) Continuing education centers (HEA 705(a)(2)(c)).	250,000	250,000	---	-250,000
(NOA)	(---)	(---)	(---)	(---)
(c) Language training and area studies:				
(1) Centers, fellowships, and research (NDEA VI).........	11,300,000	8,640,000	8,640,000	---
(2) Fulbright-Hays fellowships (Fulbright-Hays Act)..............	2,700,000	1,360,000	1,360,000	---
(d) University community services (HEA I)......	14,250,000	900,000	---	-900,000
(e) Aid to land-grant colleges:				
(1) Annual appropriation (Bankhead-Jones Act)........	9,500,000	---	---	---
(2) Permanent appropriation (Second Morril Act)..............	2,700,000	2,700,000	---	-2,700,000
(f) State postsecondary education commission (GEPA Sec. 421 and HEA Sec. 1203)...........	3,000,000	800,000	---	-800,000
(g) Veterans cost of instruction (HEA IV-A-5, Sec. 420).............	23,750,000	---	---	---
(h) Cooperative education (HEA IV-D)............	10,750,000	10,750,000	8,000,000	-2,750,000
Total Institutional assistance.........	248,146,000	195,346,000	151,000,000	-44,346,000
Total (NOA)..........	(187,950,000)	(135,150,000)	(128,000,000)	(-7,150,000)

Narrative

The $128,000,000 for Institutional assistance is $7,150,000 less than the revised 1975 level, which reflects proposed rescissions amounting to $52,500,000. The commitment to improve educational opportunity for disadvantaged and minority group students, however, has resulted in requesting $110,000,000 for developing institutions. While this is the same dollar level as the 1975 appropriation, the effect is an increase in program level, since most of the institutions which received three to five year advance program grants from the 1973, 1974, and 1975 appropriations will still be supported by those grants when a new group of 21 receive advanced program grants from the 1976 appropriation. As in 1975, $58,000,000 would fund advanced institutional development grants, and $52,000,000 would support the basic program.

Other programs in this activity for which funds are requested are language training and area studies and cooperative education.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
3. Institutional assistance				
a. Strengthening developing institutions:				
(1) Basic institutional development				
(a) New awards...	$ 3,000,000	$ 3,000,000	$ 3,000,000	---
Number.....	30	30	15	-15
(b) Competing continuing awards.......	$49,000,000	$ 49,000,000	$ 49,000,000	---
Number.....	160	160	150	-10
Subtotal.	$52,000,000	$ 52,000,000	$ 52,000,000	---
Number.	190	190	165	-25
(2) Advanced institutional develment				
(a) New awards...	$23,000,000	$ 23,000,000	$ 58,000,000	+$35,000,000
Number.....	12	12	21	+9
(b) Supplemental.	$35,000,000	$ 35,000,000	---	-$35,000,000
Number.....	35	35	---	-35
Subtotal.	$58,000,000	$ 58,000,000	$58,000,000	---
Number.	47	47	21	-26
Total amount.........	$110,000,000	$110,000,000	$110,000,000	---
Total awards.........	237	237	186	-51

Narrative

Program Purpose

To strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life, Title III of the Higher Education Act authorizes annual appropriations of up to $120,000,000 for a program of discretionary grants. Of the total appropriated, 76% is for institutions awarding bachelor's degrees ("four-year schools") and 24% is for postsecondary schools that do not award bachelor's degrees ("two-year schools"). This program has been in operation since 1966.

Institutions may participate either as direct grantees or, in the case of the basic programs, as members of consortia. To be eligible they must (1) be public or non-profit; (2) have, with some exceptions, been in existence for as least five years; (3) be accredited or making reasonable progress toward accreditations; and (4) provide evidence that they will be able to utilize program funds effectively. "Developing Institutions" are generally characterized by high proportions of low-income and/or ethnic minority students, have limited program offerings, and face financial limitations which restrict both the expansion of services and the improvement of institutional quality. Grants are awarded competitively to applicants on the basis of realistic, long-range plans for development. Applications are reviewed by professional consultants, selected from the academic community for their knowledge of the problems and needs of the developing institutions. The general requirement that institutions must have existed for 5 years may be waived in the cases of institutions with large Indian or Spanish speaking enrollments as provided by the "Education Amendments of 1972" and the "Education Amendments of 1974" respectively. Institutions may participate in either the basic institutional development program, (which provides one-year, forward funded grants for specific development activities) or in the advanced institutional development program (which provides 3 to 5 year grants for more comprehensive and accelerated development activities). The advanced program is intended to put the participants more nearly in the mainstream of higher education, with the view toward graduating them from the program at the end of the grant period.

Plans for the fiscal year 1976

The $110,000,000 requested for 1976 would continue the 1975 level of $52,000,000 for the older, "basic," program, and $58,000,000 for the newer "advanced" element of the program.

Basic Program - The $52,000,000 requested for the basic program would fund grants to 165 institutions in academic year 1976-77. Of these, 150 would be awarded to previous grantees for additional development activities and 15 would be awarded to new participants. About 30 previous grantees who have demonstrated substantial progress, will be awarded larger grants to develop planning capabilities and to facilitate their anticipated transition into the Advanced program.

Advanced program - The $58,000,000 requested for the Advanced program will provide grants to 21 institutions to accelerate administrative and management improvement, curriculum development, student support services, and faculty improvement, with a view to graduating the institutions from the program at the end of their grant period. The grants, averaging $2,760,000, would cover a 3 to 5 year development program during which the grantees plan economies in the use of their funds, review their missions and goals over the next five to ten years, and restructure their curriculum offerings. Priorities for funding will include training in career fields in which minorities are severely underrepresented and training for emerging employment and graduate study opportunities. The development program will include design and implementation of an effective planning, management, and evaluation system, in order that the institutions may utilize their resources more effectively. Their plans should indicate specific ways in which they expect to increase non-Federal income. Previous recipients of these grants will still be utilizing funds appropriated in 1973, 1974 and 1975 when the 1976 grants are awarded to 21 new institutions. Therefore, level funding leads to an increase in annual activity and expenditure of these funds by participant institutions.

Accomplishments for fiscal years 1974 and 1975

Basic program - The $52,000,000 appropriated in fiscal year 1975 will provide grants to 190 institutions: 30 new participants and 160 previous grantees. Approximately 30 schools will receive slightly larger grants to develop comprehensive planning capabilities to facilitate later transition into the Advanced program. Current expectations are that grants to junior colleges will be larger and fewer.

The $51,992,000 appropriated in fiscal year 1974 provided grants to 215 institutions: 23 new participants and 192 previous grantees.

Advanced program - The $58,000,000 appropriated in fiscal year 1975 is expected to provide 12 primary grants and 35 grants to supplement grants funded by the 1973 and 1974 appropriations. Some of those earlier awards, averaging $1,300,000, will have to be substantially augmented to carry out the purpose of the advanced development program.

The $48,000,000 appropriated in fiscal year 1974 provided grants to 36 institutions. These schools are currently refining their proposals and developing operational plans which must receive approval prior to release of funds for program implementation.

Higher Education Activities - Program Assistance

Strengthening Developing Institutions

I. Basic Program

	1974 Acutal			1975 Estimate			1976 Estimate		
	No.	Average Cost	Amount	No.	Average Cost	Amount	No.	Average Cost	Amount
Number of Grantee Institutions	215	$241,823	$51,992,000	190	$273,684	$52,000,000	165	$315,152	$52,000,000
Continuation Awards.........	(192)	"	($46,430,071	(160)	"	($43,789,480)	(150)	($320,000)	($48,000,000)
New Awards..................	(23)	"	($5,561,929	(30)	"	($8,210,520)	(15)	($266,666)	($4,000,000)
Number of Developing Colleges Participating in Cooperative Arrangements..............	139			175			125		
National Teaching Fellowships and Professors Emeriti......	583	$8,100	($4,722,300)	300	$8,100	($2,430,000)	275	($8,100)	($2,227,500)

NOTE: The figures in the amount column include money for National Teaching Fellowships and Professors Emeriti.

II. Advanced Program

	No.	Average Cost	Amount	No.	Average Cost	Amount	No.	Average Cost	Amount
Number of Grantee Institutions	36	$1,333,333	$48,000,000	47	$1,234,042	$58,000,000	21	$2,761,905	$58,000,000
Continuation Awards (Supplemental)				(35)	($1,000,000)	($35,000,000)	0		
New Awards.................				(12)	($1,916,667)	($23,000,000)	(21)	$2,761,905)	($58,000,000)
Total..................	251		$99,992,000	237		$110,000,000	186		$110,000,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Institutional assistance				
(c) Language training and area studies				
(1) Centers, fellowships and research........	$11,300,000	$8,640,000	$8,640,000	---
New awards..........	6,337,000	3,677,000	8,010,000	+4,333,000
Number.............	126	73	126	+53
Non-competing continuations........	$ 4,963,000	$4,963,000	$ 630,000	-4,333,000
Number.............	69	69	16	-53

Narrative

Program Purpose

To help American institutions of higher education better serve the national interest in the contemporary world by strengthening the academic base for teaching and research in modern foreign languages, area studies and world affairs, Title VI of NDEA authorizes discretionary grants and contracts. Emphasis is placed on efforts designed to:

--Increase and maintain the nation's manpower pool of foreign language and area trained personnel and develop curricula and instructional materials to assist in the training of such specialist; or

--Demonstrate through a limited number of exemplary projects methods of introducing an international dimension into all postsecondary education in order to increase general non-specialist knowledge of other cultures and topics of global concern.

Plans for fiscal year 1976:

A total of $8,640,000 is requested to assist centers, demonstration programs, fellowships, and research in international studies. Specific plans include:

Centers:

To train specialist for careers requiring knowledge of other countries, their languages, and cultures, $4,500,000 is requested to assist 50 comprehensive centers at an average cost of about $90,000 per center. The centers, to be selected in a national competition, will offer instruction in international studies to an estimated 60,000 students during academic year 1976-77. These Centers will focus on the foreign languages and related studies of Latin America, the USSR and Eastern Europe, East Asia, South Asia, Southeast Asia, Middle East, Africa, and on other such fields as Western European, Canadian, Pacific, Inner Asia, comparative and international studies. Funding will be for a three-year period, subject to availability of funds and successful completion of phases one and two.

Exemplary Projects:

To demonstrate more effective ways in which international education can strengthen the graduate and undergraduate levels, $830,000 is requested to assist 31 exemplary two-year projects. These include 11 graduate projects for research and training on interregional issues and problems in fields such as comparative urban studies, technology and social change, international trade and business, and environmental planning; and 20 undergraduate projects designed to add an international component to general postsecondary education, with particular emphasis on teacher training.

A small number of new projects under this category will, at the undergraduate level, permit the Office of Education to extend support for international studies programs to different types of postsecondary educational institutions in various areas of the United States, and at the graduate level, permit funding of programs concentrating on critical problems or issues that have not been previously addressed from a comparative and international perspective.

Fellowships:

To increase the supply of qualified specialists in foreign languages and area studies, total of $2,810,000 is requested for approximately 600 graduate fellowships. Fellowships will be targeted on disciplines and world areas in which there is a shortage of trained personnel.

Research:

To develop research projects in the language learning process, the methodology of foreign language teaching, preparation of instructional materials on uncommonly taught languages, and the development of baseline studies and curriculum materials for international/intercultural education, an amount of $500,000 is requested.

Accomplishments for fiscal year 1974 and 1975

In fiscal year 1975, an amount of $8,640,000 will permit funding of 50 centers, 31 exemplary projects, 604 graduate fellowships, and 16 research projects in foreign languages and area studies. Rescission of the $2,660,000 balance of the $11,300,000 1975 appropriation for this subactivity has been requested.

In fiscal year 1974, $11,289,015 was obligated for programs taking place during academic year 1974-75. These included 50 centers, 23 graduate and 50 undergraduate demonstration projects, 835 graduate-level academic year fellowships, and 27 research contracts.

SUPPLEMENTAL FACT SHEET

NDEA Title VI

Program	FY 1974 Actual	FY 1975 Estimate	FY 1975 Revised	FY 1976 Estimate
Centers (Graduate/ Undergraduate				
No. of centers	50	64	50	50
Average cost	$ 93,112	$ 87,531	$ 87,700	$ 90,000
Total cost	$ 4,655,607	$ 5,602,000	$ 4,385,000	$ 4,500,000
Enrollments (estimated)	60,000	70,000	60,000	60,000
Exemplary Projects (Graduate)				
No. of new programs	5	15	6	5
No. of continuing programs	18	6	6	6
Total no. of programs	23	21	12	11
Average cost	$ 37,909	$ 40,000	$ 35,000	$ 30,000
Total cost	$ 871,907	$ 840,000	$ 420,000	$ 330,000
Exemplary Projects (Undergraduate)				
No. of new programs	11	22	10	10
No. of continuing programs	39	9	9	10
Total no. of programs	50	31	19	20
Average cost	$ 25,305	$ 23,096	$ 27,000	$ 25,000
Total cost	$ 1,265,294	$ 716,000	$ 513,000	$ 500,000
Fellowships (Graduate)				
No. of fellowships	835	698	604	600
Average cost	$ 4,472	$ 4,700	$ 4,700	$ 4,700
Total cost	$ 3,734,144	$ 3,282,000	$ 2,822,000	$ 2,810,000
Research				
No. of projects	27	34	16	16
Average cost	$ 28,224	$ 25,294	$ 31,250	$ 31,250
Total cost	$ 762,063	$ 860,000	$ 500,000	$ 500,000
NDEA Totals	$11,289,015	$11,300,000	$ 8,640,000	$ 8,640,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Institutional assistance (c) Language training and area studies (2) Fulbright-Hays, Section 102(b)(6)				
Appropriation........	$2,700,000	$1,360,000	$1,360,000	---
(Obligation).........	($2,700,000)	($1,360,000)	($1,360,000)	(---)
New awards...........	224	142	131	-11
Non-competing continuing............	---	---	---	---

Narrative

Program Purpose

To help provide the overseas capability to strengthen American education in foreign languages, area studies, and world affairs Section 102(b)(6) of the Fulbright-Hays Act authorizes support for fellowships for faculty and doctoral dissertation research, group projects for research, training and curriculum development, and curriculum consultant services of foreign educators to improve international and intercultural education in U.S. schools and colleges. Adequate opportunities for research and study abroad are critical in developing and maintaining the professional competence of foreign language and area studies specialists.

Geared to meet national needs, the Fulbright-Hays programs administered by the Office of Education provide a limited number of research scholars in foreign language and area studies and other educators with a means for acquiring first-hand experience in their area of specialization to update and extend research knowledge and to improve language skills.

Plans for fiscal year 1976

To enable American specialists in foreign language and area studies to acquire and reinforce abroad essential skills, focusing attention on countries which have been relatively understudied and on world areas where major U.S. foreign policy changes are now emerging (e.g. the Middle East, the Soviet Union and Eastern Europe, and East and Southeast Asia), a total of $1,360,000 is requested for fiscal year 1976, the same as the fiscal year 1975 level.

Of the $1,360,000 request, $765,000 would provide 90 doctoral dissertation research abroad fellowships for prospective teachers of foreign language and area studies with particular emphasis on world areas and disciplines in which there is a significant shortage of well-trained specialists.

An additional $192,000 would provide 24 grants for university faculty research abroad designed to reinforce professional skills and to help faculty remain current in their fields of specialization. Priority will be given to topics of contemporary relevance, with emphasis on the period since World War II and on problems of common concern.

A total of $237,000 is requested to help fund 5 group training projects abroad for about 150 participants. The participants will attend centers for intensive advanced training in critical languages (such as Chinese and Japanese).

An amount of $156,000 would provide 12 American institutions with cost-sharing grants, enabling them to bring foreign educational consultants to the United States to assist in developing instructional materials in international and intercultural studies. Priority would be given to state departments of education, consortia of developing institutions and community colleges, to large school systems and to smaller colleges with teacher education programs. In addition, $10,000 would be allocated for professional support service to the Office of Education's grantees abroad. Program activities will take place during summer 1976 and academic year 1976-77.

Accomplishments for fiscal years 1974 and 1975

The fiscal year 1975 appropriation of $1,360,000 will support research and training opportunities abroad for 390 teachers and prospective teachers of foreign language and area studies. A total of $750,000 will provide 100 doctoral dissertation research fellowships. An estimated $360,000 will assist 10 high priority group projects providing (1) intensive language training and (2) summer workshops related to domestic ethnic studies programs. The sum of $100,000 will provide 12 foreign curriculum consultant cost-sharing grants. In addition, $140,000 will provide 20 fellowships for faculty research. Finally, $10,000 will provide professional support services for grantees abroad.

A total of $1,319,937 in fiscal year 1974 provided 130 grants for research and training abroad. Doctoral dissertation research fellowships totaling $708,138 enabled 92 graduate students preparing for college and university teaching careers to conduct research in 56 countries. A total of $106,688 funded 16 fellowships for faculty research abroad.

Of the eight group projects abroad, two assisted 80 participants in the two American inter-university intensive language training programs which provided the highest level instruction regularly available abroad to American students of Japanese and Chinese. The remaining six projects were ethnic heritage summer seminars for 133 teachers and administrators which took place in Mexico and West Africa. These seminars are designed to improve understanding of the cultural origins of ethnic minority groups in the United States. In addition, 14 curriculum consultant grants helped educators from nine countries to come to the U.S. to help develop curricula and teaching materials at U.S. schools and colleges. Finally, $15,550 funded professional support services for the Office of Education's grantees abroad.

SUPPLEMENTAL FACT SHEET

Fulbright-Hays Training Grants

	FY 1974 Actual	FY 1975 Estimate	FY 1975 Revised	FY 1976 Estimate
Faculty Research Abroad				
No. of fellowships	16	64	20	24
Average cost	$ 6,793	$ 9,000	$ 7,000	$ 8,000
Total cost	$108,688	$576,000	$140,000	$192,000
Doctoral Dissertation Research Abroad				
No. of fellowships	92	116	100	90
Average cost	$ 7,697	$ 8,000	$ 7,500	$ 8,500
Total cost	$708,138	$928,000	$750,000	$765,000
Group Projects Abroad				
No. of projects	8	24	10	5
Average cost	$ 44,816	$ 40,000	$ 36,000	$ 47,400
Total cost	$358,530	$960,000	$360,000	$237,000
No. of participants	213	648	270	150
Average cost per participant	$ 1,680	$1,480,000	$ 1,333	$ 1,508
Foreign Curriculum Consultants				
No. of fellowships	14	20	12	12
Average cost	$ 8,620	$ 10,000	$ 8,333	$ 13,000
Total cost	$129,031	$200,000	$100,000	$156,000
Professional Support Services	$ 15,550	$ 36,000	$ 10,000	$ 10,000
Fulbright-Hays Totals	$1,319,937	$2,700,000	$1,360,000	$1,360,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Institutional assistance				
(d) University community services	$14,250,000	$900,000	---	-$900,000

Narrative

Program Purpose

To strengthen the community service programs of colleges and universities for the purpose of assisting in the solution of community problems, Title I of the Higher Education Act authorizes grants to States. The program is designed to aid the process of community problem solving through continuing education in individuals, groups and whole communities. In addition this program encourages the development of State-wide systems of community service and the establishment of new inter-institutional programs of continuing education related to State-identified community problems. The Federal share is 66-2/3 percent. Ninety percent of the appropriated amount is for formula grants which States are to use according to a plan approved by the Commissioner. In the past, some projects operated for more than a year on one year's appropriation, but the intention is to fund projects for only one year in the future.

The Commissioner may use 10% of the total appropriation for the special projects portion (Section 106) of the program which provides discretionary grants to institutions of higher education for special projects and programs which are designed to seek solutions to national and regional problems relating to technological and social changes and environmental pollution. In the past, projects have been funded for more than one year; but it is intended to fund for only one year in the future.

Section 110 provides for discretionary grants to apply the resources of higher education to the transportation and housing problems of elderly persons living in rural and isolated areas. This section has a separate authorization, and it has not been funded to date.

Plans for fiscal year 1976

In order that scarce resources can be concentrated on student aid, no funds are requested for this program. States and localities should assume responsibility for community service programs.

No appropriation is requested for this program in 1976. Most of the funds under this program have supported small projects with a variety of program content. The budget request assumes that there are higher priority uses for Federal funds.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1975 the appropriation was $14,250,000 for this activity. Of this amount, $13,350,000 is being proposed for rescission. An amount of $900,000 would be available to the State agencies to administer the ongoing programs through the third quarter of fiscal year 1975.

The State agencies, with fiscal year 1974 funds, are supporting 646 community service projects utilizing the resources of 741 institutions of higher education serving approximately 350 thousand participants. Of the 646 projects, 132 are inter-institutional or consortial projects.

The program of special projects is experimenting with innovative methods, materials or systems for continuing education, relative to such problems as effective use of water resources, improvement of special programs for the deaf, and improvement of local government. Special emphasis is being placed on cooperative projects that show unusual promise in promoting comprehensive educational approaches to community problem solving. Eleven special projects are being supported utilizing funds appropriated in FY 1974.

SUPPLEMENTAL FACT SHEET

University Community Services

	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
(a) State Grant Program:				
Number of State-grant project awards	646	646	---	---
Number of State-grant projects operational	646	646	500	300
Number of institutions participating	741	741	570	340
Participants	500,000	500,000	350,000	200,000
(b) Special Projects:				
Number of Special project awards	11	11	---	---
Number of Special projects operational	---	11	11	11
Amount of average awards	$129,500	$129,500	---	---

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Institutional assistance:				
(e) Aid to land-grant colleges:				
(1) Permanent appropriation........	$ 2,700,000	$2,700,000	---	$-2,700,000
(2) Bankhead-Jones Act...	9,500,000	---	---	---
Total...........	12,200,000	2,700,000	---	-2,700,000
State formula grants.....	54	54	---	-54

Narrative

Program Purpose

Funds are awarded to support postsecondary instruction in agriculture, the mechanic arts, the English language, and various branches of the sciences. The Second Morrill Act of 1890, as amended, provides a permanent annual appropriation of $2,700,000 to be allotted, $50,000 to each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The Bankhead-Jones Act authorizes an annual appropriation of $12,460,000. Uniform grants of $150,000 go to each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The balance of the appropriation for the Bankhead-Jones program is apportioned among States in accordance with a formula based on population.

Plans for fiscal year 1976

Bankhead-Jones funds and the Permanent Appropriations are a relatively minor source of funds for these colleges and universities which include some of the strongest and most prestigious institutions of learning in the country. The smaller and poorer land-grant institutions, particularly the predominantly black land-grant institutions in the South, will continue to be aided by the Developing Institutions Program (Title III of the Higher Education Act of 1965). As a consequence, no funds are requested for 1976.

Accomplishments for fiscal years 1974 and 1975

In 1975, seventy-two land-grant institutions of higher education in 54 jurisdictions will receive $50,000 each from the $2,700,000 made available by the Second Morrill Act permanent appropriation. Rescission of the $9,500,000 appropriated under the Bankhead-Jones Act has been requested.

In 1974, seventy-two land-grant institutions of higher education, in fifty-four land-grant jurisdictions, shared the $12,200,000 in grants ranging from approximately $200,500 to $335,575.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Institutional Assistance				
(f) State Postsecondary Education Commissions: Administration and Planning.................	$3,000,000	$800,000	--	$-800,000
Number of States and territories funded...........	56	56	--	-56

Narrative

Program Purpose

This program has a dual purpose: (a) comprehensive State planning of postsecondary education and (b) State administration of certain Federal programs. In both cases, grants are discretionary. Section 1203 of the Higher Education Act authorized appropriation for comprehensive planning grants to be administered by State agencies established under Sec. 1202 of the Act. Those agencies would administer Federal grants awarded under Title X (Community Colleges and Occupational Education), and could be designated (by the State) to administer Community Services and Continuing Education Programs (Title I of the Higher Education Act), the Undergraduate Equipment Program (Title VI-A of the Act), or Grants for Construction of Undergraduate Academic Facilities (Title VII-A of the Act). In States where these agencies are not designated to administer the Titles VI and VII programs, these programs are administered by the State Higher Education Facilities Commission. A portion of the appropriated funds is authorized by Section 1202(c), HEA, and Section 421(b), GEPA, to be used to support costs incurred by the State Commissions in administration of the Titles VI and VII programs. Funds for State administration of Title I of the Higher Education Act are appropriated under the University community services program.

Plans for fiscal year 1976

No fiscal year 1976 funds are being requested for comprehensive State planning because that is regarded as primarily a State responsibility. No funds are requested for State administration of Federal programs because no funds are requested for those programs and a rescission of 1975 program funds has been requested.

Accomplishments for fiscal years 1974 and 1975

During 1974, fifty-six States and territories received allotments for administration of their construction and undergraduate equipment programs; and 45 Section 1202 State Commissions received grants under Section 1203 of HEA to conduct comprehensive planning activities for all of postsecondary education.

In fiscal year 1975, $3,000,000 was appropriated for State planning of postsecondary education and for State agency cost of administering programs of Federal grants for undergraduate construction (HEA VII-A) and undergraduate equipment (HEA VI-A). Of the amounts appropriated, $800,000 was made available for State administration and $2,200,000 is requested for rescission. The requested rescission would eliminate support for comprehensive planning as well as fourth quarter support of State agency administration.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Institutional assistance:				
(g) Veterans' cost-of-instruction....................	23,750,000	---	---	---
Number of awards..............	1,350	---	---	---

Narrative

Program Purpose

To encourage colleges and universities to serve the special edicational needs of Vietnam-era veterans with emphasis upon the educationally disadvantaged, Title IV, Section 420 of the Higher Education Act authorized the veterans' cost-of-instruction program.

The institution uses funds awarded on the basis of undergraduate veteran enrollment to establish an Office of Veteran's Affairs responsible for the coordination of veterans' services with other services available to veterans and to provide services in the areas of outreach, recruitment, counseling and special education. The enabling legislation also requires that institutions provide services "through the use of funds available under federally assisted work-study programs."

The program is forward funded, that is, funds appropriated in one year are obligated by the Office of Education that year but spent by the recipient institution during the following year.

Plans for fiscal year 1976

No funds are requested for this activity in fiscal year 1976 for a number of reasons; first, the high point for returning Vietnam-era veterans has passed; second, now that recruitment programs have been established, veterans can be helped more by student assistance programs than by institutional assistance; third, there has been an increase in direct benefits to veterans by more liberal veteran educational allowances and by providing more equity in treating these allowances in determining the eligibility and level of awards under the Basic Opportunity Grant program.

Accomplishments for fiscal year 1974 and 1975

The Veterans' Cost-of-instruction Program with over 1,000 postsecondary institutions participating each of the two years of its existence, has targeted specifically on the educational needs of veterans. The program has spurred significant institutional commitments by the nation's colleges and universities in the areas of recruiting, counseling and special educational services for veterans.

In fiscal year 1975 $23,750,000 was appropriated. Under the provisions of the Congressional Budget and Impoundment Control Act of 1974, rescission of these funds has been proposed to the Congress. In fiscal year 1974, $23,750,000 in Federal funds supported grants to 1,008 institutions of postsecondary education.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Institutional assistance:				
(h) Cooperative education:				
New Awards............	$2,400,000	$2,400,000	$3,450,000	$+1,050,000
Number................	75	75	100	+25
Competing continuing awards..............	8,350,000	8,350,000	4,550,000	-3,800,000
Number................	275	275	130	-145
Total.................	10,750,000	10,750,000	8,000,000	-2,750,000
Number................	350	350	230	-120

Narrative

Program Purpose

To help higher education institutions plan, establish, expand or carry out cooperative education programs, Title IV-D of the Higher Education Act authorizes grants for programs developed by the institutions in cooperation with business and industry. The programs alternate periods of full-time study and full-time public and private employment. This gives students work experience related to their academic or career objectives, as far as practicable. In addition, the program authorizes support for training persons in administering cooperative education programs at institutions of higher education and for research directly related to the improvement of development of such programs.

Institutions submit proposals which are initially screened to determine if eligibility requirements are met. If they are, the proposal is reviewed and evaluated by a panel of consultants drawn from the Nation's academic community, business, industry and government. Final funding decisions rest with the Office of Education.

Grants in support of applications for planning, implementing, strengthening and expanding programs at institutions of higher education are limited to a maximum annual award of $75,000. Salaries for students while employed under the program may not be paid from this source. The grantee institution may receive grants for up to three years; however, all awards, including those supported on a continuing basis, compete annually.

Plans for fiscal year 1976

The fiscal year 1976 request of $8,000,000 will provide support for cooperative education programs in 230 institutions, of which 100 will be in their initial year, 70 in the second year and 60 in the third and final year of their programs. As a result of previous years' appropriations, a number of institutions are completing the final year of program development during fiscal year 1975, permitting a reduction in the level of Federal support for 1976.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1975, the $10,750,000 appropriation maintained program operations at the 1974 level with distribution of awards for research and training remaining approximately the same. About 75 new institutions will enter the program for the first time this year, while 275 previous recipients will receive second and third year awards.

Efforts in research continue to stress values of cooperative education to institutions, faculty, students, and employers, and provide more specific evaluation data. Training programs are directed towards providing an adequate supply of cooperative education directors and coordinators throughout the country.

The appropriation of $10,750,000 in 1974 was the second year at this level and 76 grantees concluded their 3-year eligibility period. Of the 641 proposals received, 371 were awarded grants including 45 first time recipients.

SUPPLEMENTAL FACT SHEET

AWARDS FOR COOPERATIVE EDUCATION PROGRAMS
Fiscal Years 1974-1976

	First Year		Second Year		Third Year		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
FISCAL YEAR 1974								
Administration	32	$ 706,000	241	$ 7,006,620	76	$ 2,287,380	349	$10,000,000
Research	4	157,000	1	40,000	0	0	5	197,000
Training	9	222,000	8	331,000	0	0	17	553,000
Totals	45	$ 1,085,000	250	$ 7,377,620	76	$ 2,287,380	371	$10,750,000
FISCAL YEAR 1975 (Estimated)								
Administration	64	$ 2,050,000	54	$ 1,440,000	209	$ 6,510,000	327	$10,000,000
Research	3	150,000	1	50,000	1	50,000	5	250,000
Training	8	200,000	5	150,000	5	150,000	18	500,000
Totals	75	$ 2,400,000	60	$ 1,640,000	215	$ 6,710,000	350	$10,750,000
FISCAL YEAR 1976 (Estimated)								
Administration	100	$ 3,450,000	70	$ 2,450,000	60	$ 2,100,000	230	$ 8,000,000
Research	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0
Totals	100	$ 3,450,000	70	$ 2,450,000	60	$ 2,100,000	230	$ 8,000,000

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Personnel development:				
(a) College teachers fellowships...	$4,000,000	$4,000,000	$1,000,000	$-3,000,000
(b) Training for disadvantaged.....	750,000	750,000	750,000	---
(c) Ellender fellowships...........	500,000	500,000	500,000	---
(d) Public service fellowships.....	4,000,000	---	---	---
(e) Mining fellowships.............	1,500,000	---	---	---

Program Purpose

The 1976 request is consistent with earlier budgets in not requesting funds for new starts in college teacher fellowships and in not requesting funds for fellowships in special categories. Persons wishing to pursue graduate study can, of course, apply for a guaranteed student loan. Ellender fellowships and training for disadvantaged are special cases. The objective of the Ellender fellowship is to help economically disadvantaged high school students and their teachers learn about the Federal government. The $750,000 requested under training for disadvantaged will allow the Office of Education to continue the CLEO (Council on Legal Educational Opportunity) program which helps minority and disadvantaged persons enter the legal profession. The 1975 appropriations for public service fellowships and for mining fellowships are requested for rescission.

	1975 Estimated	1975 Revised	1976 Estimate	Increase or Decrease
Personnel development:				
(a) College teacher fellowships:				
Non-competing continuing awards....................	$4,000,000	$4,000,000	$1,000,000	$-3,000,000
Number....................	610	610	150	-460

Narrative

Program Purpose

To prepare persons for college teaching, Title IX, Part B of the Higher Education Act, authorizes a program of fellowships for graduates who are pursuing or intending to pursue the doctor of philosophy, or equivalent, degree. Grants to colleges and universities to carry out this program are discretionary and forward funded. The institution awards three-year fellowships to individuals. Each fellowship carries a $3,000 per year stipend for the fellow, $500 per year for each qualified dependent, and $3,000 per year cost-of-education allowance to the institution that the fellow attends. While the program is funded one year at a time, fellowships are expected to be funded to completion once the first year award is made.

The last new fellowships were awarded in 1971, and all fellowships terminated at the 1973-1974 academic year, except military veterans who had resigned their fellowships to enter military service and who have returned to claim the unused portion of their original fellowships. A commitment to this effect, subject to the availability of funds, was made to these fellows at the time of resignation to enter military service.

Plans for fiscal year 1976

The requested $1,000,000 for fiscal year 1976 will be used solely for the support of approximately 150 veterans during the 1976-1977 fellowship year.

Accomplishments in fiscal years 1974 and 1975

The fiscal year 1975 appropriation of $4,000,000 will support approximately 610 returned veterans during the 1975-1976 academic year. The fiscal year 1974 appropriation of $5,806,000 is sufficient to support 880 military veterans during the 1974-1975 fellowship year. No new fellowships were awarded.

Supplemental Fact Sheet

COLLEGE TEACHER FELLOWSHIP PROGRAM

Breakdowns of Costs and Work-load

	Fellowships year		
	1974-75 Estimate	1976-76 Estimate	1976-77 Estimate
College Teacher Fellowships..........	$5,806,000	$4,000,000	$1,000,000
Number of Returned Fellowships Supported......................	880	610	150
Number of institutions receiving awards..........................	202	150	125

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Personnel development:				
(b) Training for disadvantaged	$750,000	$750,000	$750,000	---

Narrative

Program Purpose

To help people from disadvantaged backgrounds undertake training for the legal profession, the Commissioner is authorized, by section 966 of the Higher Education Act, to award grants or contracts to public and private organizations other than institutions of higher education. In accordance with Congressional intent, appropriations for this program have been awarded to the Council on Legal Education Opportunity (CLEO) which previously was funded by the Office of Economic Opportunity (OEO). Section 966 was added to Part D of Title IX of the Higher Education Act by Section 836 of P.L. 93-380, approved August 21, 1974, in order that the Office of Education could operate the program as OEO had. Before P.L. 93-380 was enacted, certain provisions of Part D of Title IX of the Higher Education Act were waived, by P.L. 93-343, to permit funds appropriated in 1974 to be used for CLEO The Council on Legal Educational Opportunity was established to increase the number of lawyers from minority and disadvantaged groups and has pursued that objective for six years.

The program is multi-year funded. The grant to CLEO provided funds to carry some of the students for one year and others for two years. Under the Office of Economic Opportunity (OEO) each year's appropriation funded the full three years' training for the beginning group. During the last year of OEO funding, the practice had to be modified to maintain the level of students supported within available funds. As a consequence, the appropriation for a given year now funds:

(a) stipends for the first year of a beginning group;

(b) stipends for the second and third years of the group that started the previous year. The amount assumes some attrition from the second to the third year;

(c) CLEO administrative expenses.

Plans for fiscal year 1976

The 1976 request would fund the first year for 180 students and the second and third year for a group of 213. The amount of the grant is based on the assumption that 21 of the 213 would drop out. Therefore, third year awards are included for only 192. The requested amount would include $165,000 for CLEO administrative expenses.

Accomplishments for fiscal years 1974 and 1975

The 1975 appropriation will support 266 first year students and the second and third years of a group that will begin with 168 and taper off to 151. It will provide $165,000 for CLEO administrative expenses.

The 1974 amount funded 210 new starts and the second and third year of 180 students, plus $180,000 in CLEO administrative costs.

Training For The Disadvantaged (CLEO)

Breakdown of Costs and Work-load

	Academic Year		
	1974-75 Estimate	1975-76 Estimate	1976-77 Estimate
Number of trainees supported:			
First Year	210*	266**	180***
Second Year	180*	168**	213***
Third Year	160	180*	151**
TOTALS	550	614	544

*FY 1974 Budget		**FY 1975 Budget		***FY 1976 Budget	
$180,000 -	CLEO administration	$165,000 -	CLEO administration	$165,000 -	Cleo administration
360,000 -	Stipends for second year trainees, 1974-75, and for their third year, 1975-76	319,000 -	Stipends for second year trainees, 1975-76, and for their third year, 1976-77	405,000 -	Stipends for second year trainees, 1976-77, and for their third year, 1977-78
210,000 -	Stipends for first year trainees for one year, 1974-75 (160 third year trainees paid out of previous OEO grant)	266,000 -	Stipends for first year trainees for one year, 1975-76	180,000 -	Stipends for first year trainees for one year 1976-77
TOTALS $750,000		$750,000		$750,000	

(NOTE: The estimated budgets for 1975 and 1976 do not include the $200,000 that has been previously budgeted from Student Special Services program to fund the summer institute portion of the CLEO program.)

	1975 Estimate	1975 Revised	1975 Estimate	Increase or Decrease
Personnel development:				
(c) Allen J. Ellender fellowships	$500,000	$500,000	$500,000	---
Non-competing continuing				
Number	1	1	1	---

Narrative

Program Purpose

To assist the Close Up Foundation of Washington, D.C. in carrying out its program of increasing the understanding of the Federal Government among secondary school students, teachers, and the communities they represent, P.L. 92-506 authorizes an annual appropriation of up to $500,000.

Plans for fiscal year 1976

This program was initiated by the U. S. Congress in fiscal year 1973 as a tribute to the late Senator Allen J. Ellender. Since its inception, the program has provided about 4,500 economically disadvantaged secondary students and teachers with the opportunity to participate in a Washington Public Affairs Program. The fiscal year 1976 request of $500,000 will support about 1,500 fellowships to economically disadvantaged secondary school students and secondary school teachers.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1975 the appropriation of $500,000 maintains this program at the fiscal year 1974 level.

The Close Up Foundation awarded 1,478 fellowships in fiscal year 1974. Of the $500,000, $6,000 was for the foundation's administrative expenses and the balance was used directly for the fellowship.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Personnel development				
(d) Public service fellowships	$4,000,000	---	---	---
Grants to institutions	23	---	---	---
Fellowship awards	261	---	---	---

Narrative

Program Purpose

To expand and improve the training of persons for the public services, Title IX Part C of the Higher Education Act authorizes post-baccalaureate fellowships. Part A of Title IX authorizes institutional grants for this and other purposes.

Plans for fiscal year 1976

No Federal funds are requested for this program in fiscal year 1976. The fiscal year 1976 budget places priority on programs which help equalize postsecondary educational opportunities through broader student assistance programs which provide students the opportunity to determine the selection of institution and area of study that will best meet their individual needs. The 1976 budget includes, for the first time, $10 million to establish the Harry S. Truman Scholarship Fund which is expected to award 53 scholarships to students wishing to pursue public service careers during academic year 1976-77. This program will be managed by an independent agency and funding for it is not a part of the HEW budget.

Accomplishments in fiscal year 1974 and 1975

Funds are appropriated for this activity for the first time in fiscal year 1975. A rescission of the $4,000,000 appropriated for this activity has been proposed to the Congress.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Personnel development (e) Mining fellowships	$1,500,000	---	---	---
New Awards Number	10	---	---	---

Narrative

Program Purpose

To assist graduate students of exceptional ability and demonstrated financial need to undertake advanced study in domestic mining, and mineral fuel conservation, including oil, gas, coal, oil shale and uranium, Part D of Title IX of the Higher Education Act, authorizes annually such sums as may be needed to support up to 500 mining fellowships.

Plans for fiscal year 1976

No Federal funds are requested for this program in fiscal year 1976. The fiscal year 1976 budget places priority on programs which help equalize postsecondary educational opportunities through broader student assistance programs which provide students the opportunity to determine the selection of institution and area of study that will best meet their individual needs.

Accomplishments in fiscal years 1974 and 1975

Funds were appropriated for this activity for the first time in fiscal year 1975. A rescission of the $1,500,000 appropriated for this program has been proposed to the Congress.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Ethnic heritage studies:				
Appropriation	1,800,000	---	---	---

Narrative

Program Purpose

To provide for a greater understanding of the contributions of one's own ethnic heritage and the ethnic heritage of others to intercultural understanding and enrichment among the culturally diverse population of the United States in order to "contribute to a more harmonious, patriotic, and committed populace," Title IX of the Elementary and Secondary authorizes grants to public and private nonprofit educational agencies, institutions, and organizations. The Ethnic Heritage Studies program authorizes the Commissioner of Education to make grants to and contracts with public and private nonprofit educational agencies, institutions, and organizations to assist them in planning, developing, establishing, and operating ethnic heritage studies programs.

Plans for fiscal year 1976

No funds are requested for this program in fiscal year 1976. Other educational authorities may be used to provide sources of funds for ethnic studies programs. Curriculum materials, for example, can be developed and disseminated by the National Institute of Education and the Office of Education within their present authorities. Assistance is provided in the 1976 budget for bilingual-bicultural programs benefiting several ethnic groups. Assistance is also provided for developing institutions of higher education enrolling large numbers of minority students. These institutions are able to provide special programs in ethnic studies.

Accomplishments for fiscal years 1974 and 1975

In fiscal year 1974, 42 projects were funded at an average cost of about $56,000. Program activities will take place during academic year 1974-75. Emphasis was placed on multi-ethnic endeavors drawing on the cultural pluralism of the community; on school, university, and community cooperation; and on grantee commitment to program continuation. All projects include an appropriate balance of curriculum development, dissemination, and teacher training activities.

The Administration has requested rescission of the $1,800,000 appropriated for this program in 1975, under the Occupational, Vocational, and Adult Education appropriation.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Basic educational opportunity grant program (Higher Education Act Title IV, Part A, Subpart 1)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$660,000,000	$660,000,000	Indefinite	$1,050,000,000

Purpose: To help qualified students finance their postsecondary education, this program, authorized by Title IV, subpart A-1 of the amended Higher Education Act, authorizes grants to students who carry at least half of a normal full load of studies at accredited postsecondary vocational, technical, proprietary institutions, and at colleges and universities at the undergraduate level. At full funding, the program provides a grant of $1,400 less expected family contribution, but not to exceed one-half the cost of attendance. The law provides a reduction formula for less than full-funding.

Explanation: The program is forward funded, that is, the fiscal year 1975 appropriation will fund operations during academic year 1975-76; and the 1976 appropriations will fund operations during 1976-77. The Commissioner must submit a schedule of expected family contribution to Congress each year for approval. The payment schedule which sets the levels of awards for a fiscal year will be published after the appropriation is passed so that students and their families may make definite plans for the following academic year.

Accomplishments in 1975: During academic year 1974-75 (fiscal year 1974) the $475,000,000 appropriated in 1974 plus the estimated carryover of $60,000,000 in unexpended fiscal year 1973 funds will provide 689,000 students with grants averaging $776 and ranging from $100 to $1,050. Special appropriation language restricted grants from 1974 funds to first and second year full-time students. The $648,500,000 available in 1975 is expected to provide grants averaging $586 to 1,107,600 students during academic year 1975-76. Special appropriation language limits grants from the 1975 appropriation to first, second and third year students enrolled on at least a half-time basis.

Objectives for 1976: It is estimated that the requested $1,050,000,000 will fully fund the program, providing grants ranging from $200 to $1,400 to 1,323,600 students in academic year 1976-77 in all four years (and in special circumstances, five years) in addition to paying the $11,500,000 in contractual administrative costs.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Supplemental educational opportunity grants (Higher Education Act Title IV, Part A, Subpart 2)

		1976	
1975 Estimate	1975 Revised	Authorization	Budget Estimate
$240,300,000	$240,300,000	$200,000,000[1/]	---

[1/] $200,000,000 for initial year awards plus such sums as are needed for renewal awards.

Purpose: To help make available the benefits of postsecondary education to qualified students of exceptional financial need, Subpart A-2 of Title IV of the Higher Education Act authorizes a program of supplemental educational opportunity grants, to be provided through institutions of higher education.

Explanation: The program is forward funded, that is, the amount appropriated in one year assists students in attendance during the following year. A statutory formula determines how much will be received by institutions within a State for initial year awards. Within a State's allotment, funds are distributed among institutions on the basis of panel approved requests. The amount paid to a student under this program may not exceed one-half of the total amount of financial aid made available to him by his institution. Amounts for continuation awards are distributed according to need.

Accomplishments in 1975: The fiscal year 1975 appropriation of $240,300,000 will be awarded to approximately 3,450 institutions during fiscal year 1975. With these funds, the institutions will be able to make Supplemental Grants to an estimated 347,000 exceptionally needy students in academic year 1975-76.

Objectives for 1976: No funds are requested for 1976. Available resources are concentrated on the Basic Educational Opportunity Grant program.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Work-study (Higher Education Act of 1965, Title IV, Part C)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$300,200,000	$300,200,000	$420,000,000	$250,000,000

Purpose: To assist financially needy students in postsecondary institutions with the means of financing their education through part-time employment, Part C of Title IV of the Higher Education Act authorizes grants to the institutions to meet a portion of the cost of wages paid to such students employed in a work-study program.

Explanation: A statutory formula determines the initial distribution among States. Funds are awarded and administered under an agreement between the Commissioner and each eligible institution of higher education, including proprietary schools and area vocational-technical schools. Funds are distributed among the institutions within a State by formula, based on Regional Panel's recommendations. Federal funds may be used to pay up to 80 percent of the wages paid to students selected by the institutions; the institution must provide the matching share of 20 percent. Employment may be for the institution itself or at public or private non-profit agencies under contract with the participating institution. Both full-time and half-time students attending eligible institutions are eligible, whereas previously, only full-time students could be employed under the program.

Accomplishments in 1975: The 1975 appropriation of $300,200,000 will be obligated to institutions during fiscal year 1975 to help pay for student employment in 1976 for 624,000 students earning an average of $580 each. It is expected that basic grants and guaranteed loans will be sufficiently available then to minimize the need for other forms of Federal financial aid for students.

Objectives for 1976: The funds requested for fiscal year 1976 will finance student employment during fiscal year 1977. It is anticipated that basic grants and guaranteed loans will be sufficiently available at that time to minimize the need for other forms of Federal financial aid for students. However, since basic grants are limited to paying no more than half of a student's cost of education, they must be supplemented by other forms of aid. Work-study provides the students work experience and with financial aid without incurring a debt, and it allows institutions to obtain services they could not afford if they had to pay the full cost.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: National direct student loans (Higher Education Act, Title IV, Part E)

	1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
Federal Capital Contributions	$321,000,000	$321,000,000	$400,000,000	$ ---
Loans to Institutions	2,000,000	2,000,000	--- 1/	---
Teacher/Military Cancellations	6,440,000	6,440,000	Indefinite	8,960,000

Purpose: To provide long-term, low-interest loans to needy students in institutions of higher education to enable them to pursue their course of study, Part E of Title IV of the Higher Education Act authorizes a program of contributions to student loan funds at eligible institutions. All or a portion of the loan to a student may be cancelled in consideration of subsequent service in certain kinds of teaching or subsequent military service in a combat zone.

Explanation: Under an agreement between the Commissioner of Education and the eligible institution, a revolving student loan fund is created at the institution, with 90 percent Federal Capital Contribution and 10 percent Institutional Capital Contribution. Loans bear 3 percent interest, beginning 9 months after the student ceases at least half-time attendance at an eligible institution.

The Commissioner reimburses to the institution its share of loans cancelled if the loan was made before July 1, 1972. On loans made after June 30, 1972, the Commissioner restores to the Fund at the institution the full amount cancelled.

Accomplishments in 1975: The 1975 appropriation of $321,000,000 for Federal capital contributions will be obligated to an estimated 3,100 institutions to enable them to draw funds during academic year 1975-76 to establish or augment their revolving student loan fund. These funds, plus the institutional share, and net collections for the year are expected to be in excess of $506,000,000 which will provide an average loan of $690 to 734,000 students.

Objectives for 1976: No new Federal capital contributions are requested for 1976. It is expected that the guaranteed student loan program, as the result of administrative and legislative changes and the operation of the Student Loan Marketing Association will provide students adequate access to student loans.

It is estimated that the net value of all national direct student loan funds at institutions at the end of 1976 will be $2,800,000,000. Such a total value in a perpetual revolving Fund should be sufficient, when Funds mature, to provide annual loans of more than $200 million a year, to supplement guaranteed student loans from private lenders.

1/ The lump sum authorized by Section 207 of the National Defense Education Act has been exhausted by prior year appropriations.

The net amount expected to be available from collections during fiscal year 1976 for use in academic year 1976-77 is $164 million.

These funds will provide an average student loan of $500 (which is expected to be adequate under prevailing conditions) to 328,000 students. The increase of $2,520,000 requested for teacher/military cancellations reflects the statutory change which provides for 100 percent reimbursement to the loan Funds at the institutions of cancellations granted on loans made after June 30, 1972.

OFFICE OF EDUCATION

Guaranteed Student Loan Program

Program Purpose and Accomplishments

Activity/Subactivity: Subsidized Insured Loans

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$315,000,000 1/	$382,400,000 1/	Indefinite	$452,000,000

1/ Plus carryover balance of $5,516,637.

Purpose: To help students finance educational costs at eligible postsecondary institutions, Title IV-B of the Higher Education Act of 1965, as amended, authorizes a program of guaranteed and subsidized loans. Guaranteed loans are made primarily by commercial lenders, with the Federal government paying interest on behalf of eligible students while they are in school, during a maximum 12 month grace period after completion of their study and during authorized period of deferment. The Federal government also pays a special allowance, which may not exceed 3% per annum, on the average quarterly unpaid principal balance of loans made after August 1, 1969, whether or not the loan qualifies for Federal interest benefits.

Explanation: Loans are either guaranteed by twenty-six State or non-profit guarantee agencies and the District of Columbia or insured by the Federal government A maximum of $2,500 per academic year may be approved in most States if the educational costs require borrowing to this extent. Total loans outstanding may not exceed $7,500 for undergraduate or vocational students. This aggregate maximum may be extended to $10,000 for students who borrower for graduate study.

On April 18, 1974, the law was liberalized (effective June 2, 1974) to provide that any student whose adjusted family income is less than $15,000 is automatically eligible for up to a 7 percent subsidy on loans totalling up to $2,000 in any academic year. Such students who wish a subsidized loan in excess of $2,000 or students having adjusted family incomes of $15,000 or greater and applying for a subsidized loan of any amount, must submit to the lender the school's recommendation for a subsidized loan based on the school's assessment of the faimily's ability to pay for the cost of education.

Accomplishments in 1975: A revised appropriation of $382,400,000 for interest benefits, death and disability payments, and special allowances to lenders has been requested. This appropriation supports lender billings on $3.6 billion and special allowance payments on $5.3 billion. New loans amounting to $1.3 billion are estimated to be guaranteed. About 10% of these are unsubsidized. The level of onsite reviews of lenders and schools to verify accuracy of computing interest and special allowance billings is being increased by 293% over fiscal year 1974. In addition, new and revised regulations were published on February 20, 1975, designed to more adequately protect student borrowers by requiring that educational institutions provide prospective students with descriptive information, establish equitable refund policies and comply with other provisions which will improve the administration of the program and reduce defaults. These regulations also establish procedures providing for the limitation, suspension and termination of both schools and certain lenders that violate the provisions of the regulations.

Objectives for 1976: It is estimated that $452,000,000 in new funds will be obligated for interest benefits, special allowance, and death and disability payments. Interest benefits will apply to $1.5 billion in new loans and $3.6 billion in prior year loans. Special allowance, estimated at 3%, will be applied to about $6.1 billion in outstanding loans. Emphasis on school and lender reviews, the promotion of lender participation and the making of non-subsidized loans will continue.

HIGHER EDUCATION

Student Assistance

Program Purpose and Accomplishments

Activity: Incentive grants for state scholarships (Higher Education Act Title IV, Part A, Subpart 3)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$20,000,000	$20,000,000	$50,000,000 1/	$44,000,000 2/

1/ For initial awards to students, plus "such sums as may be necessary" for continuation awards.
2/ For both initial awards and continuations.

Purpose: To encourage States to provide grants to students with substantial financial need in attendance at postsecondary education institutions, Section 415, Subpart A-3 of Title Iv of the Higher Education Act authorizes a program of incentive grants to States to pay a portion of such awards.

Explanation: Incentive grants are made available to States to stimulate them to establish or expand scholarship assistance to eligible students. Based on their higher education enrollments, States receive grants to be matched by funds from State resources for making initial and continuation awards to students. Each State designates an official State agency to administer the program and annually establishes "substantial financial need" criteria for approval by the Commissioner. The maximum permissible student grant is $1500 ($750 Federal portion). Grants must be matched on a dollar for dollar basis from State scholarship funds, up to the $1500 maximum per year, reduced for half time attendance. In order to qualify for Federal funds, States must also continue to spend in excess of a previously established base level of effort for student grants. Award funds not matched by one State may be reallotted to other qualifying States.

Accomplishments in 1975: Incentive grants totalling $20,000,000 will be awarded to approximately 54 States and territories having eligible matching scholarship or grant programs. Expansion of these State scholarship agencies from 27 in fiscal year 1973 to 50 in fiscal year 1974 and 54 in fiscal year 1975 indicate the program's incentive value in establishing State delivery systems concerned with administering student assistance on a joint Federal/State basis to expand postsecondary educational opportunities. Because the Fiscal Year 1975 appropriation was a lump sum to cover the separate authorizations for initial and continuation awards to students, States were granted flexibility to divide their allotments between the two types of awards according to their particular circumstances. The $20,000,000 Fiscal Year 1975 appropriation will result in scholarship or grant awards by these States to approximately 80,000 students in school year 1975-76, averaging $500 in Federal plus State matching funds per student assisted.

Objectives for 1976: The $44,000,000 requested for fiscal year 1976 will produce scholarships totaling $88,000,000 enabling the 56 participation States and territories to provide initial and continuation awards (averaging $500 each) to approximately 176,000 students.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Special programs for students for disadvantaged backgrounds (Higher Education Act Title IV, Part A, Subpart 4)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$70,331,000	$70,331,000	$100,000,000	$70,331,000

Purpose: To identify qualified low-income students, prepare them for postsecondary education, and provide special services for them and for physically handicapped students and those of limited English-speaking ability at the postsecondary level, Title IV-A, Subpart 4 of the Higher Education Act authorizes grants and contracts through four programs: Talent search, Upward bound, Special programs for disadvantaged, and Educational opportunity centers.

Explanation: These are discretionary grant programs with funding selection based upon published criteria and from proposals submitted by institutions of higher education, combinations of such institutions, public and private agencies and organizations (including scholarly and professional); and, in exceptional cases, secondary and secondary vocational schools. Educational opportunity center projects require a 25 percent matching fund. The program is forward funded, that is, the 1976 appropriation will fund activities during 1976-77.

Accomplishments in 1975: It is anticipated that the 1975 appropriation will fund a program during 1975-76 that is much like the current activity which was funded by the 1974 appropriation. Data from the 1973-74 school year, funded by the 1973 appropriation, show that Talent search placed 27,776, and Upward bound placed 6,950 students in postsecondary education; 32,941 students aided by the program began postsecondary studies, 7,687 dropouts returned to studies, and many more in the program continued to progress with their studies.

Objectives for 1976: To serve more than 302,600 low-income students, including those with physical disabilities, limited English-speaking ability and those from culturally disadvantaged background, and to secure positive educational results for 40 percent of those served, $67,331,000 will support program operations for Talent search, Upward bound, and Special services for disadvantaged students projects at approximately the same level as in fiscal year 1975. The remaining $3,000,000 will continue support of approximately 12 Educational Opportunity centers in an effort to discover feasible methods to serve both urban and rural populations.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Strengthening developing institutions (Higher Education Act, Title III)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$110,000,000	$110,000,000	$120,000,000	$110,000,000

Purpose: To strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life, the Commissioner is authorized by Title III of the Higher Education Act to carryout a program of discretionary grants to such institutions.

Explanation: Forward-funded, discretionary grants are awarded to institutions of higher education annually on the basis of applications which are reviewed by professional consultants, selected for their knowledge of the problems and needs of developing institutions. These panels of consultants forward their recommendations to the program staff for final decisions. Proposals are reviewed for quality and for their capability to serve the needs of low-income students, expecially minority groups. For the basic program, grants are awarded for a one year period. The advanced institutional development program awards 3 to 5 year grants.

Accomplishments in 1975: The $52,000,000 appropriated for the basic program in 1975 is expected to fund 190 grants. Of these, 30 will be slightly larger grants to high potential institutions to facilitate a transition into the advanced institutional development program. The $58,000,000 appropriated for the advanced program will permit funding approximately 47 institutions, including 12 grants to new participants, and about 35 supplemental grants to institutions funded by fiscal year 1973 and 1974 appropriations to complete the funding of their development plans.

Objectives for 1976: To continue the program at the 1975 level, $110,000,000 is requested, of which $52,000,000 would be for the basic program and $58,000,000 would be for the advanced program. The $52,000,000 requested for the basic institutional development program will allow the funding of 15 new institutions and the continuation of 150 previous grants. The $58,000,000 requested for the advanced program would provide grants to 21 new institutions for an estimated average award of $2,760,000. These funds will be spent to accelerate institutional development over a three to five year period. The objective of the basic program is steady, incremental development. The objective of the advanced program is accelerated and comprehensive development, over a 3 to 5 year period, with the view toward graduating these institutions from the program at the end of the grant period.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Language training and area studies (National Defense Education Act Title IV; Mutual Educational and Cultural Exchange Act of 1961)

	1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
NDEA VI	$11,300,000	$8,460,000	$75,000,000	$8,640,000
Fulbright-Hays	2,700,000	1,360,000	Indefinite	1,360,000

Purpose: To improve the capabilities and resources of American educational institutions for research and training in international studies, NDEA Title IV and the Fulbright-Hays Act authorized support for university centers, programs, fellowships, and research in the U.S. as well as research and training abroad.

Explanation: Applications for annual awards under this program are received from U.S. institutions of higher education, individual researchers, State education agencies, public school systems, and nonprofit education agencies. All new proposals are reviewed by the program staff with the advice of outside academic consultants. Final decisions are made by the Office of Education. Recommended overseas projects are also forwarded to appropriate U.S. diplomatic missions and binational commissions for comment on feasibility and host country concurrence. A final review for overseas projects under the Fulbright-Hays Act is made by the Board of Foreign Scholarships, an autonomous body appointed by the President to provide general supervision for all programs carried out under this act.

Accomplishments in fiscal year 1975: Of the $14,000,000 appropriated for Language training and area studies, $4,000,000 was requested for rescission leaving a balance of $10,000,000 available for obligation. This included $8,640,000 for 50 comprehensive centers, 12 graduate and 19 undergraduate demonstration projects; 604 fellowships, and 16 research contracts. In addition, $1,360,000 for Fulbright-Hays was obligated to implement activities scheduled for academic year 1975-76 as follows: 120 faculty and doctoral research fellowships abroad, 10 group projects, and 12 curriculum consultant grants under Fulbright-Hays.

Objectives for fiscal year 1976: In fiscal year 1976, a budget request of $10,000,000 for NDEA VI and Fulbright-Hays would assist 50 centers, 31 graduate and undergraduate demonstration projects, 600 fellowships, and 16 research projects under Title VI. Under Fulbright-Hays authority, a request of $1,360,000 would provide approximately 90 doctoral dissertation research fellowships, 24 faculty research grants, 5 group research and training projects, and 12 foreign curriculum consultant grants.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: University community services
(Title I, Higher Education Act)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$14,250,000	$900,000	$50,000,000[1]	-0-

[1] Excludes section 110 of HEA which authorizes such sums as are necessary to be appropriated for special programs and projects relating to problems of the elderly.

Purpose: To strengthen the community service programs of colleges and universities for the purpose of assisting in the solution of community problems, and to provide for special demonstration and experimental projects designed to seek solutions to national and regional problems relating to technological and social changes and environmental pollution, Title I of the Higher Education Act authorizes State formula grants and a 10% set-aside for discretionary grants.

Explanation: At least 90% of the appropriation is for the State grant portion which is administered in each State by an agency appointed by the Governor, under a State plan approved by the Commissioner of Education. This agency determines annually the problem areas to which available funds are to be applied. In this formula grant program the Federal share is 66-2/3 percent of this total amount expended.

Section 106 of Title I authorizes the Commissioner to use ten percent of the money appropriated under this title for discretionary projects and requires that participating institutions provide at least ten percent of the costs incurred for individual projects.

Accomplishments in 1975: During 1975 some 500 community services projects are in some phase of operation in the States. All of these projects are supported by funds appropriated in fiscal year 1974. Approximately 350,000 adults are being served by more than 570 participating colleges and universities. The $900,000 released for this program in fiscal year 1975 is being used for Title I State agency administration.

The program of special projects in FY 1975 is supporting 11 institutional projects experimenting with innovative methods materials and systems for continuing education with funds appropriated in FY 1974.

Objectives for 1976: In order to concentrate support for higher education on only the most critical institutional aid programs, so that scarce resources can be targeted to student aid, no funds are requested for this program. States and localities should assume responsibility for community service programs.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Aid to land-grant colleges
(1) Permanent Appropriation (Second Morrill Act, 1890, 7 U.S.C. 324)
(2) Bankhead-Jones Act, as amended Section 22

	1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
	2,700,000[1]	2,700,000[1]	2,700,000[1]	---
	9,500,000[2]	--- [2]	12,460,000[2]	---
Total	12,200,000	2,700,000	15,160,000	---

Purpose: To support instruction in agriculture, the mechanic arts, the English language, and various branches of the sciences, the Second Morrill Act of 1890, as amended, provides a permanent annual appropriation of $2,700,000 to be allotted, $50,000 to each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands, and the Bankhead-Jones Act, as amended, authorizes an annual appropriation of $12,460,000.

Explanation: The Permanent Appropriation (Second Morrill Act of 1890, as amended,) gives each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands an appropriation of $50,000. The Bankhead-Jones Act, as amended, provides uniform grants of $150,000 to each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The balance of this appropriation is then divided by a formula, based on population, which gives each of the above entities a variable grant.

Accomplishments in 1975: Fifty-four land-grant jurisdictions will share the $2,700,000 in grants with $50,000 to each jurisdiction.

Objectives for 1976: Bankhead-Jones funds and the permanent appropriations are a relatively minor source of funds for these colleges and universities, which include some of the strongest and most prestigious institutions of learning in the country. The smaller and poorer land-grant institutions, particularly the predominantly black land-grant institutions in the South, will continue to be aided by the developing institutions program (Title III of the Higher Education Act of 1965). As a consequence, no funds are requested for 1976; it is proposed that legislation will be submitted to repeal the permanent land-grant program (Second Morrill Act) and the annual appropriation (Bankhead-Jones).

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[1] Permanent appropriation, Second Morrill Act

[2] Bankhead-Jones Act; the FY 1975 appropriation of $9,500,000 has been requested for rescission.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: State Postsecondary Education Commissions (HEA Section 1202 and 1203 and GEPA Section 421)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$3,000,000	$800,000	Indefinite	--

Purpose: This program has a dual purpose: (a) comprehensive State planning of postsecondary education and (b) State administration of certain Federal programs. In both cases, grants are discretionary. Section 1203 of the Higher Education Act authorized appropriation for comprehensive planning grants to be administered by State agencies established under Sec. 1202 of the Act. Those agencies would administer Federal grants awarded under Title X (Community Colleges and Occupational Education), and could be designated (by the State) to administer Community Services and Continuing Education Programs (Title I of the Higher Education Act), the Undergraduate Equipment Program (Title VI-A of the Act), or Grants for Construction of Undergraduate Academic Facilities (Title VII-A of the Act). In States where these agencies are not designated to administer the Titles VI and VII programs, these programs are administered by the State Higher Education Facilities Commission. A portion of the appropriated funds is authorized by Section 1202(c), HEA, and Section 421(b), GEPA, to be used to support costs incurred by the State Commissions in addministration of the Titles VI and VII programs. Funds for State administration of Title I of the Higher Education Act are appropriated under the University community services program.

Explanation: Grants are discretionary, that is, there is no statutory formula for distribution among the States.

Accomplishments in 1975: In fiscal year 1975, $3,000,000 was appropriated for State planning of postsecondary education and for State agency costs of administering programs of Federal grants for undergraduate construction (HEA VII-A) and undergraduate equipment (HEA VI-A). Of the amounts appropriated, $800,000 was made available for State administration and $2,200,000 is requested for recission. The proposed rescission would eliminate support for comprehensive planning as well as fourth quarter support of State agency administration.

Objectives for 1976: No funds are requested for state planning since that is regarded as a State responsibility. No funds are requested for State administration of Federal programs, since no funds are requested for those Federal programs and program funds appropriated in 1975 are requested for rescission.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Veterans' cost-of-instruction program (Title IV of the Higher Education Act as amended)

1975	1975	1976	
Estimate	Revised	Authorization	Budget Estimate
$23,750,000	---	Indefinite	---

Purpose: To encourage postsecondary institutions to recruit veterans and to provide special services for them. This program authorizes appropriations for grants to institutions which increase their enrollment of veterans by 10% over this preceding academic year or whose enrollments constitutes 10 percent or more of their total undergraduate enrollment.

Explanation: To qualify for assistance, each initial year applicant must exhibit either: (1) 10% growth in veteran enrollment; or more of its total enrollment. Renewal applicants must merely maintain the veteran enrollment of the previous year. Proprietary institutions and schools of religion may not participate. The participating institution agrees to: (1) maintain a full-time office of veterans' affairs; (2) actively recruit veterans; (3) offer a comprehensive program of peer and professional counseling; (4) develop programs of remedial and tutorial services for veterans; and (5) provide a multi-purpose program of community outreach services. Schools with less than 2,500 students and fewer than 70 veterans may enter into a consortium agreement and may offer only limited programs, including items (1), (2), and (3) above.

At full funding the institution would be "entitled" to a payment of $300 for each undergraduate veteran enrolled (FTE), and to a bonus payment of $150 for each enrolled veteran who has been the recipient of certain VA benefits designed to assist the educationally disadvantaged veteran. There "entitlements" are prorated down to the level of funds appropriated.

Accomplishments in 1975: **In fiscal year 1975, $23,750,000 was appropriated.** These funds are proposed for rescission under Section 1012 of the Impoundment Control Act (P.L. 93-344).

Objective for 1976: No funds are requested for this program in fiscal year 1976. The high point for returning veterans has passed, and programs have been established in the institutions.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Cooperative education programs (Higher Education Act, Title IV, Part C)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$10,750,000	$10,750,000	$10,750,000	$8,000,000

Purpose: To plan, establish, carry out, or expand cooperative education programs developed in conjunction with business and industry, Title IV-C of the Higher Education Act authorizes $10,000,000 for the Commissioner of Education to award grants to institutions of higher education. An additional $750,000 is authorized for research and training in connection with the program.

Explanation: After an institution has met eligibility requirements established by the Commissioner, its proposal is evaluated by a panel of consultants drawn from the academic community, business, industry and government. An institution may receive grants for up to three years to carry out its proposal. However, all awards made under this title including continuing awards are competing. Final funding decisions rest with the Office of Education. The maximum annual award is $75,000. Federal funds do not pay student salaries; students are paid by employers.

Accomplishments in 1975: Approximately 75 new institutions and 275 institutions which received awards in 1975, will be given funds for the academic year 1975-76 to administer new or continuing cooperative education programs, to train personnel to implement and strengthen these programs, and to support research to provide directions for these programs.

Objectives for 1976: The requested appropriation level of $8,000,000 would enable 230 institutions to plan, establish, carry out, or expand programs of cooperative education during fiscal year 1976. Of these institutions, 100 would receive initial year grants while 130 would continue to receive support for programs initiated in prior years.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity/Subactivity: College Teacher Fellowships (Higher Education Act of 1965, Title IX, Part B; formerly National Defense Education Act of 1958, Title IV).

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$4,000,000	$4,000,000	1/	$1,000,000

1/ Amount needed to fund 7,500 fellowships plus continuations.

Purpose: To prepare college teachers, Section 922 of Title IX-B of the Higher Education Act authorized the Commissioner of Education to award during fiscal year ending June 30, 1973, and each of the two succeeding fiscal years, up to 7,500 three-year fellowships for study in graduate programs in institutions of higher education.

Explanation: This is a discretionary grant program. With the assistance of academic experts recruited from colleges and universities, the Office of Education allots a specified number of fellowships to institutions of higher education in approved programs. Institutions select the fellows and award stipends of $3,000 per year for the fellow, $500 per year for each qualified dependent, and $3,000 per year cost-of-education allowance.

Accomplishments in 1975: The 1975 appropriation of $4,000,000 can support 610 fellows during 1975-76 academic year. The only persons now eligible to hold these fellowships are veterans who have returned to re-claim the unused portion of the fellowships they resigned for military service. A survey is now being made to determine how many have returned. No new fellowships were awarded.

Objectives for 1976: To enable veterans to resume fellowships interrupted by service, $1,000,000 is requested for 1976. During 1976, as in 1975, the only fellows supported will be veterans who have been reinstated to their fellowships upon return from military service. No new fellowships will be awarded. The program was established to help fill an urgent need for college teachers at the doctor of philosophy level. In general, there appears, now, to be a surplus.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Training for the disadvantaged (Higher Education Act Title IX, Part D)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$750,000	$750,000	$1,000,000	$750,000

Purpose: To help people from disadvantaged backgrounds undertake training for the legal profession, the Commissioner is authorized, by section 966 of the Higher Education Act to award grants or contracts to public and private organizations other than institutions of higher education. The Congress intended that this program fund the Council on Legal Education Opportunity (CLEO) program which was transferred from the Office of Economic Opportunity to DHEW for administration and was funded during 1974-75 with funds appropriated to the Office of Education.

The Council on Legal Education Opportunity was established to bring about a significant increase in the number of lawyers from minority and disadvantaged groups. For six years this program has been directed toward achieving this objective.

Explanation: This is a non-competitive project grant to CLEO, with no matching requirements. The program is forward funded and a part of the money is spent over a period of two years (multi-year grant).

Accomplishments in 1975: The 1975 appropriation will support 266 first year students (during 1975-76), and the second and third years of a group that will begin with 168 and tapers off to 151. It also includes $165,000 for CLEO administrative expenses.

Objectives for 1976: To continue the CLEO program, the 1976 request would fund the first year for 180 students and the second and third year for a group that would number 213 at the outset, but decrease to 192 as the result of drop-outs. The request includes $165,000 for CLEO administrative costs.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Allen J. Ellender Fellowships (Public Law 92-506)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$500,000	$500,000	$500,000	$500,000

Purpose: To assist the Close Up Foundation of Washington, D.C. in carrying out its program of increasing the understanding of the Federal Government among secondary school students, teachers, and the communities they represent, P.L. 92-506 authorizes annual appropriation of up to $500,000.

Explanation: Federal funds are awarded to the Close Up Foundation who in turn awards fellowships to secondary students and their teachers. The students and teachers come to Washington, D.C. for a one-week program, meeting with leaders from the three branches of the Federal Government.

Accomplishments in 1975: In fiscal year 1975 the Close Up Foundation used $500,000 in Federal funds to support about 1,500 fellowships to secondary students and their teachers.

Objectives for 1976: To continue the program at the 1975 level, $500,000 is requested in fiscal year 1976.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Public service fellowships (Higher Education Act Title IX, Part C)

1975	1975	1976	1976
Estimate	Revised	Authorization	Budget Estimate
$4,000,000	---	1/	---

1/ Part A authorizes $50,000,000 for financial assistance to institutions of higher education. Part C authorizes amounts needed to fund up to 500 public service fellowships.

Purpose: To expand and improve the training of persons for the public services, Title IX Part C of the Higher Education Act authorizes post-baccalaureate fellowships. Part A of Title IX authorizes institutional grants for this and other purposes.

Explanation: Although the 1975 appropriation for this program is proposed for rescission, criteria for funding and guidelines have been developed and are scheduled for publication in the Federal Register, as required by law. It is proposed that the program would be forward funded. Under Part A, discretionary awards are authorized to institutions of higher education to establish, strengthen and improve programs designed to prepare graduate and professional students for public service careers. Under Part B, an approved program would have a number of fellowships allocated to it, and the institution would nominate students for the fellowships. All applications would be reviewed by knowledgeable persons from the academic world and local, State, and Federal Government.

Accomplishments in 1975: Funds were appropriated for this activity for the first time in fiscal year 1975. Under the provision of the Congressional Budget and Impoundment Control Act of 1974, rescission of the $4,000,000 appropriated has been proposed to the Congress.

Objectives for 1976: No Federal funds are requested for this program in fiscal year 1976. The fiscal year 1976 budget places priority on programs which help equalize postsecondary educational opportunities through broader student assistance programs which provide students the opportunity to determine the selection of institution and area of study that will best meet their individual needs. The 1976 budget includes, for the first time, $10 million to establish the Harry S. Truman Scholarship Fund which is expected to award 53 scholarships to students wishing to pursue public service careers during academic year 1976-77. This program will be managed by an independent agency and funding for it is not a part of the HEW budget.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Mining fellowships (Higher Education Act Title IX, Part D)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$1,500,000	---	1/	---

1/ Amount needed to fund up to 500 fellowships.

Purpose: To assist graduate students of exceptional ability and demonstrated financial need to undertake advanced study in domestic mining, mineral, and mineral fuel conservation, including oil, gas, coal and oil shale and uranium, Title IX, Part D of the Higher Education Act authorizes the Commissioner of Education to award up to 500 mining fellowships.

Explanation: Although the 1975 appropriation for this program is proposed for rescission, criteria for funding and guidelines have been developed and are scheduled for publication in the Federal Register, as required by law. It is proposed that the program would be forward funded. Institutions of Higher Education would apply to the Office of Education. An approved program would have a number of fellowships allocated to it, and the institution will select students for the fellowships. All applications would be reviewed by knowledgeable persons from the academic world and local, State, and Federal Government.

Accomplishments in 1975: Funds were appropriated for this activity for the first time in fiscal year 1975. Under the provision of the Congressional Budget and Impoundment Control Act of 1974, rescission of the $1,500,000 appropriated has been proposed to the Congress.

Objectives for 1976: No Federal funds are requested for this program in fiscal year 1976. The fiscal year 1976 budget places priority on programs which help equalize postsecondary educational opportunities through broader student assistance programs which provide students the opportunity to determine the selection of institution and area of study that will best meet their individual needs.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Ethnic heritage studies (Elementary and Secondary Education Act, Title IX)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$1,800,000	---	$15,000,000	---

Purpose: To provide for a greater understanding of the contributions of one's own ethnic heritage and the ethnic heritage of others to intercultural understanding and enrichment among the culturally diverse population of the United States in order to "contribute to a more harmonious. patriotic, and committed populace," Title IX of the Elementary and Secondary authorizes grants to public and private nonprofit educational agencies, institutions, and organizations. The Ethnic Heritage Studies program authorizes the Commissioner of Education to make grants to and contracts with public and private nonprofit educational agencies, institutions, and organizations to assist them in planning, developing, establishing, and operating ethnic heritage studies programs.

Explanation: Under this discretionary grant program, applications are accepted from public or private non-profit educational agencies, institutions or organizations. These include ethnic, community, or professional associations as well as local and State educational agencies and higher education institutions. After evaluation of proposals by Office of Education personnel and outside specialists, the Commissioner makes grants which focus on the development of curriculum materials, the dissemination of curriculum materials, or the training of persons to use the materials developed under the program.

Accomplishments in 1975: In fiscal year 1975, $1,800,000 was appropriaated to support grants under this program. Rescission of the total amount appropriated has been requested.

Objectives for 1976: No funds are requested for this program in fiscal year 1976. Other educational authorities may be used to provide sources of funds for ethnic studies programs. Curriculum materials, for example, can be developed and disseminated by the National Institute of Education and the Office of Education within their present authorities. Assistance is provided in the 1976 budget for bilingual-bicultural programs benefiting several ethnic groups. Assistance is also provided for developing institutions of higher education enrolling large numbers of minority students. These institutions are able to provide special programs in ethnic studies.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

Student Assistance
Supplemental Educational Opportunity Grants

State or Outlying Area	1974 Actual	1975 Estimated	1975 Revised	1976 Estimate
TOTAL	$210,300,000[1]	$124,940,000[2]	$124,940,000[2]	$ ---
Alabama	3,280,148	1,763,688	1,763,688	---
Alaska	272,872	113,743	113,743	---
Arizona	1,742,842	1,581,923	1,581,923	---
Arkansas	1,404,695	671,913	671,913	---
California	23,201,591	15,197,903	15,197,903	---
Colorado	2,713,925	1,612,893	1,612,893	---
Connecticut	2,459,504	1,520,939	1,520,939	---
Delaware	568,134	380,936	380,936	---
Florida	5,011,315	3,271,535	3,271,535	---
Georgia	2,961,468	2,110,107	2,110,107	---
Hawaii	731,102	483,879	483,879	---
Idaho	807,340	402,293	402,293	---
Illinois	10,264,971	5,410,347	5,410,347	---
Indiana	4,499,967	2,599,999	2,599,999	---
Iowa	3,514,321	1,424,347	1,424,347	---
Kansas	2,432,820	1,302,770	1,302,770	---
Kentucky	2,459,776	1,435,039	1,435,039	---
Louisiana	3,380,432	1,733,782	1,733,782	---
Maine	4,117,104	441,016	441,016	---
Maryland	3,443,446	1,826,909	1,826,909	---
Massachusetts	8,287,816	4,053,186	4,053,186	---
Michigan	8,542,452	4,608,619	4,608,619	---
Minnesota	6,479,860	2,404,630	2,404,630	---
Mississippi	3,014,433	1,011,618	1,011,618	---
Missouri	3,917,734	2,174,313	2,174,313	---
Montana	657,242	385,655	385,655	---
Nebraska	1,479,328	839,062	839,062	---
Nevada	274,696	284,330	284,330	---
New Hampshire	1,366,850	449,079	449,079	---
New Jersey	4,637,223	2,856,082	2,856,082	---
New Mexico	1,326,078	602,165	602,165	---
New York	16,776,793	9,990,273	9,990,273	---
North Carolina	4,888,297	2,692,924	2,692,924	---
North Dakota	1,545,331	365,687	365,687	---
Ohio	8,879,215	4,626,269	4,626,269	---
Oklahoma	2,422,609	1,577,285	1,577,285	---
Oregon	3,523,292	1,456,167	1,456,167	---
Pennsylvania	9,351,464	5,214,385	5,214,385	---
Rhode Island	1,098,792	605,631	605,631	---
South Carolina	2,166,194	1,294,289	1,294,289	---

	1974 1/ Actual	1975 2/ Estimated	1975 2/ Revised	1976 Estimate
South Dakota	1,520,294	351,610	351,610	---
Tennessee	3,627,289	1,997,793	1,997,793	---
Texas	9,569,706	6,059,083	6,059,083	---
Utah	1,618,475	955,299	955,299	---
Vermont	1,604,083	327,098	327,098	---
Virginia	3,372,398	2,227,949	2,227,949	---
Washington	4,601,442	2,237,508	2,237,508	---
West Virginia	1,663,521	801,080	801,080	---
Wisconsin	7,902,931	2,590,197	2,590,197	---
Wyoming	417,858	189,841	189,841	---
District of Columbia	1,435,879	849,714	849,714	---
American Samoa	---	6,809	6,809	---
Guam	37,168	35,218	35,218	---
Puerto Rico	3,000,222	1,023,914	1,023,914	---
Trust Territories	---	1,780	1,780	---
Virgin Islands	25,262	13,497	13,497	---
Set-aside (10%)		12,494,000	12,494,000	---

1/ This is the amount for total distribution which includes continuing and initial awards.

2/ This is the amount for initial awards only.
Estimated distribution of 90% of $124,940,000 on the basis of the total of full-time and full-time equivalent degree-credit and nondegree-credit enrollment in institutions of higher education and the adjusted full-time and full-time equivalent enrollment in proprietary schools, Fall 1973/1974.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

Student Assistance
Work-Study

	1974 Actual	1975 1/ Estimate	1975 1/ Revised	1976 2/ Estimate
TOTALS	$270,200,000	$270,330,400	$270,330,400	$250,000,000
Alabama	5,802,379	5,912,008	5,912,008	4,921,708
Alaska	328,147	413,419	413,419	344,169
Arizona	2,501,650	2,966,437	2,966,437	2,469,540
Arkansas	3,357,696	3,030,916	3,080,916	2,564,843
California	24,470,621	26,064,590	26,064,590	21,698,600
Colorado	3,528,615	3,279,868	3,279,868	2.730,468
Connecticut	2,952,771	3,247,984	3,247,984	2,703,925
Delaware	622,973	738,661	738,661	614,931
Florida	7,377,272	8,374,757	8,374,757	6,971,931
Georgia	6,390,308	6,715,616	6,715,616	5,590,707
Hawaii	1,093,507	1,010,020	1,010,020	840,835
Idaho	929,822	965,655	965,655	803,901
Illinois	13,720,581	12,237,730	12,237,730	10,187,830
Indiana	5,402,896	5,888,894	5,888,894	4,902,466
Iowa	3,925,939	3,513,003	3,513,003	2,924,552
Kansas	2,847,222	2,959,585	2,959,585	2,463,836
Kentucky	4,772,275	5,042,856	5,042,856	4,198,143
Louisiana	6,076,438	6,730,205	6,730,205	5,602,851
Maine	2,726,098	1,291,772	1,291,772	1,075,392
Maryland	4,036,470	4,527,974	4,527,974	3,769,509
Massachusetts	11,391,785	7,046,931	7,046,931	5,866,524
Michigan	9,583,917	10,141,446	10,141,446	8,442,687
Minnesota	6,295,407	5,152,161	5,152,161	4,289,140
Mississippi	4,885,174	4,788,857	4,788,857	3,986,693
Missouri	5,425,768	5,700,191	5,700,191	4,745,371
Montana	2,100,797	989,273	989,273	823,563
Nebraska	2,022,807	1,920,595	1,920,595	1,598,883
Nevada	450,254	539,160	539,160	448,847
New Hampshire	1,513,875	919,535	919.535	765,505
New Jersey	6,229,968	7,100,833	7,100,833	5,911,397
New Mexico	1,798,513	1,982,351	1,982,351	1,650,294
New York	19,263,427	21,795,303	21,795,303	18,144,446
North Carolina	8,181,440	7,495,604	7,495,604	6,240,042
North Dakota	1,314,528	934,035	934,035	777,579
Ohio	11,059,161	11,932,329	11,932,329	9,933,586
Oklahoma	3,522,127	3,786,337	3,786,337	3,152,101
Oregon	3,923,669	2,828,069	2,828,069	2,354,349
Pennsylvania	12,090,662	13,098,512	13,098,512	10,904,426
Rhode Island	1,150,241	1,199,728	1,199,728	998,767
South Carolina	4,483,023	4,419,109	4,419,109	3,678,880

	1974 Actual	1975 Estimate[1]	1975 Revised[1]	1976 Estimate[2]
South Dakota	1,185,126	1,079,931	1,079,931	899,036
Tennessee	5,964,544	5,978,057	5,978,057	4,976,693
Texas	14,207,485	15,834,246	15,834,246	13,181,907
Utah	1,714,341	1,739,239	1,739,239	1,447,905
Vermont	748,699	643,131	643,131	535,402
Virginia	5,605,999	5,942,413	5,942,413	4,947,020
Washington	4,666,872	4,420,981	4,420,981	3,680,437
West Virginia	2,934,188	2,669,108	2,669,108	2,222,015
Wisconsin	7,240,035	5,562,842	5,562,842	4,631,029
Wyoming	564,253	419,742	419,742	349,432
District of Columbia	1,879,027	1,304,401	1,304,401	1,085,906
Outlying Areas	3,939,208	6,004,000	6,004,000	5,000,000
Set-aside (10%)	---	---	---	24,450,000
Set-aside for children from outlying areas who are attending school in the States	---	---	---	500,000

[1] Estimated distribution of $300,200,000 with 2% reserved for the outlying areas, $500,000 reserved for students from American Samoa and the Trust Territories, and 90% of the balance distributed 1/3 on the basis of the total of full-time degree-credit and nondegree credit and adjusted full-time enrollment in proprietary schools; 1/3 on total estimated high school graduates; 1/3 on "related children under 18" in families with income under $4,000.

[2] Estimated distribution of $250,000,000 with 2% reserved for the outlying areas, $500,000 reserved for students from American Samoa and the Trust Territories, and 90% of the balance distributed 1/3 on the basis of the total of full-time degree-credit and nondegree-credit enrollment in institutions of higher education, and the adjusted full-time enrollment in proprietary schools; 1/3 on total estimated high school graduates; 1/3 on "related children under 18" in families with income under $3,000.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

Direct Student Loans (HEA IV, Part E)

State or Outlying Area	1974 Actual	1975 1/ Estimate	1975 1/ Revised	1976 Estimate
TOTAL	$286,000,000	$321,000,000	$321,000,000	$ ---
Alabama	4,338,937	4,612,804	4,612,804	---
Alaska	181,975	219,900	219,900	---
Arizona	3,024,104	3,958,741	3,958,741	---
Arkansas	2,278,599	1,868,177	1,868,177	---
California	30,974,383	33,901,016	33,901,016	---
Colorado	4,163,575	4,365,878	4,365,878	---
Connecticut	3,788,211	3,841,309	3,841,309	---
Delaware	746,882	941,903	941,903	---
Florida	7,857,268	8,258,338	8,258,338	---
Georgia	4,912,795	5,591,681	5,591,681	---
Hawaii	1,244,842	1,294,157	1,294,157	---
Idaho	1,216,073	1,100,454	1,100,454	---
Illinois	14,259,807	13,486,159	13,486,159	---
Indiana	7,505,689	7,106,194	7,106,194	---
Iowa	5,081,519	4,098,433	4,098,433	---
Kansas	4,115,767	3,498,340	3,498,340	---
Kentucky	4,107,306	3,897,725	3,897,725	---
Louisiana	4,850,248	4,767,336	4,767,336	---
Maine	1,188,932	1,193,347	1,193,347	---
Maryland	4,449,950	4,449,195	4,449,195	---
Massachusetts	10,536,762	10,819,087	10,819,087	---
Michigan	12,717,572	11,374,164	11,374,164	---
Minnesota	6,351,013	6,714,602	6,714,602	---
Mississippi	3,287,256	2,821,561	2,821,561	---
Missouri	6,671,937	5,701,445	5,701,445	---
Montana	1,228,606	1,115,916	1,115,916	---
Nebraska	2,710,066	2,199,292	2,199,292	---
Nevada	443,037	705,877	705,877	---
New Hampshire	1,237,390	1,278,613	1,278,613	---
New Jersey	5,713,568	7,026,152	7,026,152	---
New Mexico	1,569,423	1,589,001	1,589,001	---
New York	23,769,772	25,511,857	25,511,857	---
North Carolina	6,784,369	7,360,375	7,360,375	---
North Dakota	1,343,409	1,060,702	1,060,702	---
Ohio	13,590,565	12,365,518	12,365,518	---
Oklahoma	4,481,824	4,119,698	4,119,698	---
Oregon	3,945,685	3,692,789	3,692,789	---
Pennsylvania	14,267,339	14,066,645	14,066,645	---
Rhode Island	1,507,110	1,514,347	1,514,347	---
South Carolina	2,694,954	3,450,256	3,450,256	---

	1974 Actual	1975 1/ Estimate	1975 1/ Revised	1976 Estimate
South Dakota	1,324,053	1,011,416	1,011,416	---
Tennessee	5,322,390	5,404,818	5,404,818	---
Texas	15,325,913	15,934,408	15,934,408	---
Utah	2,266,472	2,669,766	2,669,766	---
Vermont	903,308	922,047	922,047	---
Virginia	4,919,078	5,604,573	5,604,573	---
Washington	5,822,956	5,805,239	5,805,239	---
West Virginia	2,688,054	2,134,503	2,134,503	---
Wisconsin	7,313,705	6,891,103	6,891,103	---
Wyoming	577,084	468,899	468,899	---
District of Columbia	2,169,352	2,107,435	2,107,435	---
American Samoa	---	14,136	14,136	---
Canal Zone	---	20,353	20,353	---
Guam	13,500	88,665	88,665	---
Puerto Rico	2,191,555	2,856,256	2,856,256	---
Trust Territory	---	4,974	4,974	---
Virgin Islands	20,061	22,425	22,425	---
Set-aside (10%)	---	32,100,000	32,100,000	---

1/ Estimated distribution of 90% of $321,000,000 on the basis of the total of full-time degree-credit and nondegree credit enrollment in institutions of higher education and adjusted full-time enrollment in proprietary schools.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

State Student Incentive Grants

	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$19,000,000	$20,000,000	$20,000,000	$44,000,000
Alabama	---	262,149	262,149	576,728
Alaska	---	27,333	27,333	60,133
Arizona	---	285,628	285,628	628,381
Arkansas	110,408	110,937	110,937	244,062
California	2,981,391	3,036,648	3,036,648	6,680,624
Colorado	280,095	272,823	272,823	600,211
Connecticut	284,087	280,921	280,921	618,027
Delaware	56,841	59,710	59,710	131,362
Florida	564,055	581,028	581,028	1,278,262
Georgia	306,116	303,017	303,017	666,637
Hawaii	---	88,087	88,087	193,792
Idaho	34,000	72,753	72,753	160,056
Illinois	1,054,668	1,027,576	1,027,576	2,260,667
Indiana	436,736	413,646	413,646	910,022
Iowa	237,372	225,885	225,885	496,946
Kansas	233,884	223,278	223,278	491,212
Kentucky	234,540	228,933	228,933	503,653
Louisiana	---	279,528	279,528	614,962
Maine	74,937	74,662	74,662	164,257
Maryland	364,316	366,404	366,404	806,089
Massachusetts	698,027	687,984	687,984	1,513,566
Michigan	881,800	881,056	881,056	1,938,323
Minnesota	342,617	337,496	337,496	742,491
Mississippi	164,366	170,139	170,139	374,306
Missouri	409,502	399,320	399,320	878,505
Montana	57,730	56,463	56,463	124,218
Nebraska	143,166	136,489	136,489	300,276
Nevada	35,363	41,430	41,430	91,146
New Hampshire	61,833	69,034	69,034	151,875
New Jersey	522,296	527,810	527,810	1,161,182
New Mexico	99,290	100,948	100,948	222,085
New York	1,844,132	1,868,439	1,868,439	4,110,564
North Carolina	406,453	422,966	422,966	930,526
North Dakota	64,578	60,892	60,892	133,963
Ohio	846,230	820,302	820,302	1,804,665
Oklahoma	264,986	260,359	260,359	572,790
Oregon	267,180	273,542	273,542	601,793
Pennsylvania	879,800	910,835	910,835	2,003,836
Rhode Island	108,440	113,934	113,934	250,656
South Carolina	203,415	199,452	199,452	438,795

	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
South Dakota	62,620	54,836	54,836	120,640
Tennessee	319,392	320,156	320,156	704,343
Texas	1,057,336	1,041,227	1,041,227	2,290,697
Utah	168,466	166,317	166,317	365,898
Vermont	55,720	57,269	57,269	125,992
Virginia	382,689	399,494	399,494	878,887
Washington	418,713	412,311	412,311	907,084
West Virginia	137,878	140,968	140,968	310,130
Wisconsin	472,294	457,369	457,369	1,006,211
Wyoming	36,141	37,044	37,044	81,497
District of Columbia	164,768	166,026	166,026	365,257
American Samoa	1,829	1,879	1,879	4,133
Canal Zone	---	---	---	---
Guam	---	7,090	7,090	15,597
Puerto Rico	163,421	174,430	174,430	383,746
Trust Territory	261	238	238	523
Virgin Islands	3,822	3,510	3,510	7,721

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

University Community Services

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
TOTAL	$14,250,000	$ 14,250,000	$900,000	---
Alabama	225,486	227,171	16,500	---
Alaska	111,264	111,738	16,500	---
Arizona	167,008	170,899	16,500	---
Arkansas	170,211	172,525	16,500	---
California	830,030	837,200	16,500	---
Colorado	181,942	185,383	16,500	---
Connecticut	210,408	211,243	16,500	---
Delaware	120,117	120,623	16,500	---
Florida	352,808	365,358	16,500	---
Georgia	267,843	270,946	16,500	---
Hawaii	128,430	129,472	16,500	---
Idaho	126,522	127,269	16,500	---
Illinois	502,406	506,109	16,500	---
Indiana	288,715	290,919	16,500	---
Iowa	202,923	204,164	16,500	---
Kansas	181,223	181,915	16,500	---
Kentucky	217,893	219,405	16,500	---
Louisiana	232,900	235,008	16,500	---
Maine	136,419	137,057	16,500	---
Maryland	244,200	246,205	16,500	---
Massachusetts	307,357	309,339	16,500	---
Michigan	423,738	425,530	16,500	---
Minnesota	238,910	240,029	16,500	---
Mississippi	180,971	181,482	16,500	---
Missouri	269,750	271,451	16,500	---
Montana	125,551	125,860	16,500	---
Nebraska	154,268	155,188	16,500	---
Nevada	118,353	119,251	16,500	---
New Hampshire	127,278	127,955	16,500	---
New Jersey	362,885	365,430	16,500	---
New Mexico	137,606	138,863	16,500	---
New York	760,324	763,375	16,500	---
North Carolina	285,621	288,571	16,500	---
North Dakota	122,600	122,899	16,500	---
Ohio	486,464	487,255	16,500	---
Oklahoma	193,566	195,098	16,500	---
Oregon	176,976	178,917	16,500	---
Pennsylvania	528,280	529,983	16,500	---
Rhode Island	134,511	134,998	16,500	---
South Carolina	194,754	197,085	16,500	---

State or Outlying Area	1974 Actual	1975 Estimate	1975 Revised	1976 Estimate
South Dakota	124,255	124,560	16,500	---
Tennessee	243,732	247,072	16,500	---
Texas	511,258	519,111	16,500	---
Utah	139,406	140,705	16,500	---
Vermont	116,338	116,614	16,500	---
Virginia	269,858	272,101	16,500	---
Washington	223,867	223,451	16,500	---
West Virginia	163,625	164,831	16,500	---
Wisconsin	260,970	263,469	16,500	---
Wyoming	112,200	112,497	16,500	---
District of Columbia	127,098	127,161	15,000	---
American Samoa	25,977	25,981	15,000	---
Guam	28,059	28,070	15,000	---
Puerto Rico	122,598	122,953	15,000	---
Virgin Islands	27,248	27,256	15,000	---
National Advisory Council	100,000	---	---	---
Set Aside	1,425,000	1,425,000	---	---

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

Land-Grant Colleges and Universities

	1974 Actual[1]	1975 Estimate[1]	1975 Revised[2]	1976 Estimate
TOTAL	$12,200,000	$12,200,000	$2,700,000	$ ---
Alabama	223,402	223,402	50,000	---
Alaska	202,053	202,053	50,000	---
Arizona	212,043	212,043	50,000	---
Arkansas	213,068	213,068	50,000	---
California	335,575	335,575	50,000	---
Colorado	214,998	214,998	50,000	---
Connecticut	220,603	220,603	50,000	---
Delaware	203,724	203,724	50,000	---
Florida	246,132	246,132	50,000	---
Georgia	231,185	231,185	50,000	---
Hawaii	205,231	205,231	50,000	---
Idaho	204,845	204,845	50,000	---
Illinois	275,516	275,516	50,000	---
Indiana	235,289	235,289	50,000	---
Iowa	219,195	219,195	50,000	---
Kansas	215,282	215,282	50,000	---
Kentucky	221,874	221,874	50,000	---
Louisiana	224,754	224,754	50,000	---
Maine	206,752	206,752	50,000	---
Maryland	226,651	226,651	50,000	---
Massachusetts	238,656	238,656	50,000	---
Michigan	260,304	260,304	50,000	---
Minnesota	225,854	225,854	50,000	---
Mississippi	215,063	215,063	50,000	---
Missouri	231,781	231,781	50,000	---
Montana	204,718	204,718	50,000	---
Nebraska	210,082	210,082	50,000	---
Nevada	203,321	203,321	50,000	---
New Hampshire	205,012	205,012	50,000	---
New Jersey	248,706	248,706	50,000	---
New Mexico	206,903	206,903	50,000	---
New York	323,600	323,600	50,000	---
North Carolina	234,531	234,531	50,000	---
North Dakota	204,197	204,197	50,000	---
Ohio	272,377	272,377	50,000	---
Oklahoma	217,389	217,389	50,000	---
Oregon	214,210	214,210	50,000	---
Pennsylvania	280,136	280,136	50,000	---
Rhode Island	206,453	206,453	50,000	---
South Carolina	217,602	217,602	50,000	---

	1974 Actual 1/	1975 Estimate 1/	1975 Revised 2/	1976 Estimate
South Dakota	204,527	204,527	50,000	---
Tennessee	226,663	226,663	50,000	---
Texas	276,078	276,078	50,000	---
Utah	207,197	207,197	50,000	---
Vermont	203,022	203,022	50,000	---
Virginia	231,585	231,585	50,000	---
Washington	223,164	223,164	50,000	---
West Virginia	211,851	211,851	50,000	---
Wisconsin	230,018	230,018	50,000	---
Wyoming	202,259	202,259	50,000	---
District of Columbia	205,140	205,140	50,000	---
Guam	200,578	200,578	50,000	---
Puerto Rico	218,427	218,427	50,000	---
Virgin Islands	200,424	200,424	50,000	---

1/ Includes Bankhead-Jones annual appropriation and Second Morrill Act permanent appropriation.

2/ Second Morrill Act permanent appropriation.

Higher Education

Amounts Available for Obligation

	1976 Estimate	Estimate July 1, to Sept. 30, 1976
Appropriation	$2,005,541,000	$124,000,000
Unobligated balance, start of period	371,504,254	539,954,254
Unobligated balance, end of period	-539,954,254	-313,954,254
Total obligations	1,837,091,000	350,000,000

Obligation by Activity

	1976 Estimate	Estimate July 1, to Sept. 30, 1976
Student assistance:		
Basic opportunity grants..............	$857,800,000	$220,000,000
Subsidized insured loans..............	452,750,000	124,000,000
Other student assistance..............	302,960,000	---
Subtotal, Student assistance.......	1,613,510,000	344,000,000
Special programs for disadvantaged......	70,331,000	---
Institutional assistance:		
Construction -- subsidized loans......	23,000,000	6,000,000
Other institutional assistance........	128,000,000	---
Subtotal, Institutional assistance......................	151,000,000	6,000,000
Personnel development..................	2,250,000	---
Total obligations.................	1,837,091,000	350,000,000

Obligations by Object

	1976 Estimate	Estimate July 1, to Sept. 30, 1976
Printing and reproduction	$2,900,000	$500,000
Other services	8,600,000	4,000,000
Investments and loans	750,000	---
Grants, subsidies, and contributions	1,821,841,000	345,150,000
Insurance claims and indemnities	3,000,000	750,000
Total obligations by object	1,837,091,000	350,000,000

	1976 Estimate	Estimate July 1 - Sept. 30, 1976
Student assistance:		
(a) Grants and work-study:		
(1) Basic opportunity grants............	$857,800,000	220,000,000
(NOA)............................	(1,050,000,000)	(---)
(2) Supplemental opportunity grants.....	---	---
(3) Work-study........................	250,000,000	---
(b) Subsidized insured loans:		
(1) Interest on insured loans...........	452,000,000	124,000,000
(2) Reserve fund advances...............	750,000	---
(NOA)............................	(---)	---
(c) Direct loans: Teacher cancellations....	8,960,000	---
(d) Incentive grants for State scholarships.	44,000,000	---
Total, student assistance........	1,613,510,000	344,000,000
(NOA)		(124,000,000)

Narrative

For Higher Education, an appropriation of $124,000,000 is requested for the period July 1 through September 30, 1976. That amount is needed for the guaranteed student loan program to pay interest benefits, special allowance to lenders, and death and disability claims. These payments are mandatory when proper bills have been submitted, reviewed, and approved.

Other student assistance programs are forward funded; that is, amounts appropriated in one fiscal year are for assistance to students in attendance during the following fiscal year; and grants typically have been awarded during the second half of the fiscal year. It is anticipated that the grant period will continue to be July through June. Therefore, the 1976 appropriation would fund students in attendance during the interim period (July 1 through September 30, 1976) and during the first three quarters of fiscal year 1977. The 1977 appropriation would be for students in attendance from July of 1977 through June of 1978: that is, for the final final quarter of fiscal year 1977 and the first three quarters of fiscal year 1978. No appropriation, therefore, is needed for the interim budget period for forward funded programs.

In the case of Basic educational opportunity grants, substantial amounts of the 1976 appropriation will be obligated during the interim period. That is because grants are not awarded to schools in the sense that they are in the campus-based programs. About half of the appropriation is made available for basic grant payments initially, and the other half is withheld until better information is available as to how much should be added at each school to complete disbursements for the year. The full appropriation is needed in advance, however, so that a payment schedule can be formulated.

	1976 Estimate	Estimate July 1 - Sept. 30, 1976
Special programs for the disadvantaged	$70,331,000	---

Narrative

No new funds will be needed for this activity during the July 1 through September 30, 1976 period. Since the program is forward funded, grants awarded in fiscal year 1976 will be for July 1, 1976 through June 30, 1977. The 1977 appropriation will fund grants for July 1, 1977 through June 30, 1978; that is, for the last quarter of fiscal year 1977 and the first three quarters of 1978.

	1976 Estimate	Estimate July 1 - Sept. 30, 1976
Institutional assistance:		
(a) Strengthening developing institutions..	$110,000,000	---
(b) Construction:		
(1) Subsidized loans..................	23,000,000	6,000,000
(NOA)	(---)	(---)
(c) Language training and area studies:		
(1) NDEA VI program....................	8,640,000	---
(d) Cooperative education.................	8,000,000	---
Total, institutional assistance..	151,000,000	6,000,000

Narrative

No appropriation is requested for institutional assistance during the interim budget period (July 1 through September 30, 1976). The obligations expected for construction, subsidized loans will be funded by prior year appropriations. Available prior year funds were released by a revised accounting system which calls for obligating funds in the year payments are due. For the other Institutional assistance programs, Strengthening developing institutions, Language training and area studies, and Cooperative education, grants awarded in 1976 cover the interim period and at least the first three quarters of fiscal year 1977. The advanced component of the developing institution program, as explained in the 1976 justification, provides 3 to 5 year grants.

	1976 Estimate	Estimate July 1 - Sept. 30, 1976
Personnel development:		
(a) College teacher fellowships..........	$1,000,000	---
(b) Fellowships for disadvantaged........	750,000	---
(c) Ellender fellowships.................	500,000	---
Total, Personnel development...	2,250,000	---

Narrative

No appropriation is requested for Personnel development during the interim budget period (July 1 through September 30, 1976). All of the programs are forward funded, and grants awarded in fiscal year 1976 will be for a grant period covering the interim period and for the first three quarters of fiscal year 1977.

FRIDAY, MARCH 14, 1975.

HIGHER EDUCATION FACILITIES LOAN AND INSURANCE FUND

WITNESSES

S. W. HERRELL, ACTING DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION

DR. TERRELL H. BELL, COMMISSIONER OF EDUCATION

THOMAS F. McANALLEN, CHIEF, FACILITIES BRANCH, DIVISION OF TRAINING AND FACILITIES

OSCAR P. SHIELDS, BUDGET ANALYST

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

INTRODUCTION OF WITNESSES

Mr. FLOOD. The committee will come to order.

We are still with the Office of Education.

We will begin this morning with the higher education facilities, the loan and insurance fund.

Again the presentation will be made by Mr. S. W. Herrell, the Acting Deputy Commissioner for Postsecondary Education.

Your biographical sketch, of course, will be included.

[The biographical sketch follows:]

Name: S. W. Herrell.

Position: Acting Deputy Commissioner, Bureau of Postsecondary Education, DHEW, U.S. Office of Education.

Birthplace and date: Cape Girardeau, Mo., January 23 ,1915.

Education: B.S. in education, major in mathematics, Southeast Missouri State College, graduate work, University of Missouri, Cornell University (naval Officers program). Honorary doctor of laws degree, Bethune-Cookman College, March 16, 1971. Honorary degree of doctor of humanities, St. Leo College, April 30, 1972.

Experience: present; Acting Deputy Commissioner for Postsecondary Education.

May 12, 1974 to August 1, 1974: Associate Deputy Commissioner, Bureau of Post-secondary Education.

1971–74: Acting Associate Commissioner, Bureau of Higher Education, Acting Deputy Associate Commissioner, Bureau of Higher Education.

January 1970 to February 2, 1971: Executive officer, Bureau of Higher Education.

September 1968 to January 1970: Acting Deputy Association Commissioner.

1968–68: Executive officer, Bureau of Higher Education, OE.

1962–64: Executive officer, Bureau of International Education, OE.

1958–62: Executive officer, division of school assitance in federally affected areas, Office of Education.

1952–58: Program operations supervisor, division of school assistance in federally affected areas, OE.

March 10, 1952 to December 21, 1952: Reassignment as asisstant program operations adviser, division of civilian education requirements, OE.

1951–52: Associate civilian education requirements officer, division of civilian education requirements, OE.

March 11, 1951 to October 25, 1951: Chief Registration and Research Section, Veterans' Administration, Washington, D.C.

June 27, 1946 to March 11, 1951: Supervisor, Registration Unit, Veterans' Administration, St. Louis, Mo.

January 4, 1946 to June 27, 1946: Registration officer, Veterans' Administration, St. Louis, Mo.

1942–46: U.S. Navy, lieutenant (Jg).

1939–42: Superintendent of public schools, Bloomsdale, Mo.

1937-39: Principal of Bloomsdale High School, Bloomsdale, Mo.

Awards: DHEW, U.S. Office of Education: Superior Service Award, May 23, 1968. Sustained Superior Service Award, September 1967. Quality Increase, OE—February 1964. Quality Increase, OE—February 1970. DHEW-Education Division—Certificate of Recognition, 1973. DHEW-Distinguished Service Award, April 11, 1974.

Mr. FLOOD. Would you like to introduce your coworkers?

Mr. HERRELL. I think you know everybody on the right. On my left let me introduce Mr. McAnallen who is the Chief of our Facilities Branch in the Division of Training and Facilities and Oscar P. Shields, who is the budget analyst who handles this particular program in the Budget.

Mr. Chairman, I have a one-page statement. I will be very happy to read it if you so desire.

GENERAL STATEMENT

Mr. Chairman and members of the committee, I am pleased to appear before you to request an appropriation for the higher education facilities loan and insurance fund. We are requesting $2,192,000 under this account for the payment of participation sales insufficiencies.

The Participation Sales Act of 1966 established a revolving fund for loans made under title III of the Higher Education Facilities Act, now subsumed by title VII, part C, of the Higher Education Act, as amended, and authorizes the pooling of such loans as collateral for participation certificate sold to the private credit market.

Since the interest received on these loans is less than the interest paid on the participation certificates, appropriations are needed each year to cover the difference. In fiscal year 1976, we will need $3,692,000 for this purpose. Of this amount $1,500,000 is covered by a permanent indefinite appropriation for sales authorized in fiscal year 1967. The remainder, $2,192,000 for sales authorized in 1968, is being requested now.

I shall be pleased to answer any questions the committee may have.

USE OF UNOBLIGATED BALANCE

Mr. FLOOD. Well, now you are requesting $2,192,000 for payment of these participation sales and insufficiencies. Instead of requesting an appropriation on this, why don't you use those funds you have available in the fund? You must have about $100 million under the rug down there someplace, don't you?

Mr. HERRELL. Mr. Chairman, there was $100 million that was made available for title III.

Mr. FLOOD. That is an unobligated balance.

Mr. HERRELL. That is an unobligated balance, Mr. Chairman, but I do not believe under the legislation that we are authorized to use such funds for this particular purpose.

I don't believe we are. I will have to ask Mr. Miller if we are.

Mr. FLOOD. Who told you that?

Mr. MILLER. I am assuming that in order to obligate them we need appropriation authority, Mr. Chairman, but I am not certain.

Mr. FLOOD. You didn't go into this very deeply, did you?

Mr. HERRELL. Mr. Chairman, we did not anticipate using such funds since they have been in escrow for a period of years.

Mr. FLOOD. You mean simply because they have been in escrow for a period of years is reason for not using unobligated funds.

Mr. HERRELL. Mr. Chairman, the $100 million was appropriated under the authorization of loans. The amount for participation sales insufficiencies relates to a separate authorization. However, if an appropriation act authorized us to use a part of the $100 million to pay insufficiencies we would do so. We do use that money to pay the Treasury what we owe them each year for the use of appropriated capital. The law requiring such payments authorizes the use of available money in the fund. This includes unused appropriated capital, repayment of loans from appropriated capital, and interest received on loans. In addition, Mr. Chairman, there is a second and more important point that I think is giving us a great deal of worry. That is that the number of loans that we have outstanding, where the numbers of schools are asking for moratoriums has increased from 7 percent to 10 percent.

We are considerably concerned as to whether or not these colleges are going to be able to pay off the loans which are already outstanding.

INSUFFICIENCY PAYMENTS—FUTURE YEARS

Mr. FLOOD. You have been paying these sales insufficiencies since 1968.

Mr. HERRELL. That is correct, sir.

Mr. FLOOD. How many years do you think you will have to make these payments?

Mr. HERRELL. Mr. Chairman, the period of years that the loans normally are set for is 30 years. But the participation sales that have been made by FNMA are for periods of 5, 10 or 20 years.

To answer your question directly, it would appear that these funds will have to be appropriated for a period up to 30 years, about 23 more years.

NEEDS FOR CONSTRUCTION LOANS

Mr. FLOOD. According to that budget that you sent us, you have 10 new construction projects that were funded during 1974. Also, you expect two new ones and two supplemental construction projects to be supported during 1975.

For 1976 I gather from your budget presentation you expect no new projects.

Mr. HERRELL. That is correct, sir, because we do not expect to recover any more funds from existing undisburded loan commitments. These commitments now amount to only $18 million.

Mr. FLOOD. That doesn't answer the situation. If it is so that you anticipate no new projects, so you say, why is that so?

Has this need for postsecondary construction disappeared? Does it no longer exist? That is what it is for. Have all these facility needs been met?

Mr. HERRELL. The answer to that question is, for the most part, yes.

There are some limited areas where there is a need for additional construction but generally speaking throughout the United States there is no need for new construction.

Mr. FLOOD. Throughout the United States there is no need for new construction?

Ms. BEEBE. Mr. Chairman, we would like to submit for the record an evaluation study that was conducted recently that supports Mr. Herrell's testimony on that point.

Mr. FLOOD. All right.

[The information follows:]

SUMMARY OF THE DEMAND FOR FACILITIES IN THE POSTSECONDARY SECTOR, 1975 TO 1990[1]

BACKGROUND

The Higher Education Facilities Act of 1963 was enacted to alleviate the national shortage of space which resulted from significant enrollment increases during the 1950's and 1960's. While it is generally believed that, in the aggregate, national facilities needs have been effectively met, it is not clear whether future changes affecting space requirements might introduce future shortages.

The objectives of this study group were to: (1) develop methods for estimating future space requirements and (2) estimate, through use of these methods, the probable space requirements of different types of institutions through 1990.

METHODOLOGY

This study was performed under contract let in July 1972 with Joseph Froomkin, Inc., of Washington, D.C. Data for use in estimating factors affection space requirements were drawn from national data files, including historical data on facilities and enrollments from the National Center for Education Statistics, 1972 data on the propensity to enroll in postsecondary education from the Current Population Survey of the Bureau of the Census, demographic statistics from the Bureau of the Census, and pertinent data on facilities from other studies.

Information on planning techniques was obtained from field visits to State planning commissions, State university facilities planning offices, and institutions of higher education to investigate current practices in facilities planning, construction, and utilization.

SPACE STANDARDS AND PRACTICES

The standards developed in this report have been derived from a study of existing space standard, either advocated by different authorities or published by State planning agencies. Underlying the estimated space requirements are a number of assumptions about (1) the size of the student stations (i.e., seating area) or the space needed to accommodate an activity, and (2) the utilization rates for space (i.e., how frequently an area is in use and the percent of full capacity at which it is occupied). Since distinctions among certain major categories of space are more often apparent than real, space standards have not been developed by breaks finer than those used in the Higher Education General Information Survey (HEGIS). The standards, wtihin these categories, are as follows:

1. Classroom space, which totals about 10 percent in most schools, is targeted for 30 to 36 hours a week, with occupancy set at 55 to 65 percent of capacity. The general rule of thumb is for a classroom to be between 14 to 16 square feet, with an average of 15 square feet. Dependent upon the type of program, between 10 to 20 percent of student contact hours fall outside of classrooms or laboratories—either in auditoriums, gymnasiums, or outdoors for agricultural programs.

2. Laboratory stations range from 9.1 to 13.6 square feet, depending upon the particular discipline, assignment practices, and the course level. Since analysis shows that 0.7 square feet of classroom space produces 1 credit hour, while 6.2 square feet of laboratory space is required to produce 1 credit hour, schools with emphasis on physical sciences will require additional space.

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[1] Copies of this report are currently available, on a limited basis, in the Office of the Assistant Commissioner for Planning, Budgeting, and Evaluation—U.S. Office of Education.

3. Library space requirements are determined by both (*a*) book storage and processing needs and (*b*) by reading and room space needs. Space requirements for the former range from 0.085 to 0.100 square foot per volume, while seating capacity requires 5 square feet per student, based on a capacity to seat simultaneously 25 percent of the student body. Standards for this space are best determined by taking the size of the collection into account, since a considerable fraction of the space requirements depends upon the size of the collection.

4. The standards for faculty offices are set at 120 square feet per faculty, with one secretary per five faculty. Standard space for a secretarial and reception area is usually 150 square feet (i.e., an additional 30 square feet per faculty). Give or take 10 percent, these standards are universally accepted.

5. As a general rule, between 160 to 200 square feet is the standard space available per full-time instructional staff member.

6. Ancillary facilities include (a) special use space (armories, stadiums, greenhouses, et cetera), (b) general use space (theaters, cafeterias, bookstores, et cetera), and (c) support space (parking, data processing, electric plant, et cetera). Some planners suggest support space should be about 10 percent of total space, while others suggest a general rule of aggregating all ancillary facilities. Since much of this space is interchangeable in use and standards depend upon the amenities that a school wishes to provide, generalizations cannot be offered.

7. Other categories include medical space, which is trivial in amount, and residential space, for which detailed standards cannot be developed. Some planners suggest that standards for these space categories total approximately 30 percent of nonresidential space.

8. Taken together, these standards suggest requirements for institutions which range from 51.7 assignable square feet per full-time equivalent (FTE) student (that is, a measure denoting all full-time students and one-third of the part-time students) in public 2-year schools to 119.8 square feet per FTE in private 4-year colleges. These standards exclude: (a) organizational research space, which would add roughly 5 percent to the total space requirements of universities, and (b) the special requirements of medical, technological, and engineering schools, where emphasis on the physical sciences greatly increases laboratory space requirements.

CURRENT AVAILABILITY OF SPACE

While precise space requirements for a given school cannot be determined without considerable detailed knowledge of course offerings, a schema was developed to identify institutions which face similar requirements in order to determine the kinds and levels of facilities required nationally. To identify needs, all institutions were segregated into 20 groups by type (2-year, 4-year, and university), by control (public and private), and by size of enrollment. Each group of institutions was then divided into quartiles in order to rank an individual institution's total available space from high to low in comparison with the average space available in its group. Analysis of the distribution of space indicated no aggregate shortage of space, although some 15 to 25 percent of institutions did have some shortage of space in some category for which firm standards could be established. Major findings show that currently:

1. shortages of space exist primarily in office space (especially among junior colleges), study space (except among the smaller institutions), and laboratory space (among private institutions as a whole and among public universities),

2. a general overall equilibrium of space has been attained for classroom, library, and general space. If special use, general use, and support space are aggregated, very little shortage appears to characterize ancillary facilities,

3. while available space varies from campus to campus, larger institutions tend to have relatively less space available per full-time or FTE student,

4. although no clear-cut pattern could be found for the addition of institutional space, the major influences on the amount of nonresidential space were identified as FTE enrollment, FTE staff, instructional expenditures, and—dependent upon the commitment to graduate programs—the mix of program offerings (particularly with respect to technical versus nontechnical courses),

5. approximately 20 percent of the public sector inventory and 40 percent of the private school inventory—where maintenance has been greatly neglected—could benefit from remodeling.

6. there is little evidence that the drying up of Federal funds tends to affect construction decisions, and

7. there is little evidence that proprietary institutions were suffering a shortage of facilities; rather, with stiff competition from publicly subsidized program, this sector appeared to have some excess capacity.

SPACE REQUIREMENTS THROUGH 1990

In order to estimate the demand for facilities through 1990, several assumptions were employed to project the distribution of students. These included estimating:

1. the level of future enrollments by two projections. The high estimate assumes that 68 percent of high school graduates will attend college, while the low estimate assumes the comparable figure to range between 56 and 58 percent. Under the high estimate, a relatively higher proportion of prebaccalaureate students are estimated to enter graduate programs,

2. irrespective of the level of total enrollments, public institutions will fill their quotas, with the bulk of any shortfall being borne by the private sector. Implicit in this estimate is the assumption that the public sector enrollment will continue to grow at least through 1980, with a number of new institutions likely to be established and some present campuses expanded to accommodate these additional students, and

3. the proportionate distribution of student by type of instituton, by size of campus, by major area of academic interest, and by nondegree versus prebaccalaureate status will remain the same in both enrollment projections.

If the preceding assumptions and standards are applied under the low enrollment projection, the decline in construction levels is not likely to jeopardize admission opportunities. Indeed, if the low projection describes future trends, it is likely that after 1975 most institutions will face little need to enlarge their plants. Under the high estimate, space requirements would require adding only 6 million square feet of usable space for enrollment increases in the period 1980–85. With no further construction, the higher education system would have sufficient space through 1990. Under either estimate, however, the majority of construction expenses are likely to be applied to remodeling and modernizing existing facilities, since the problems most often cited by campus planners indicates that (1) many buildngs do not meet current OSHA standards (e.g. for wiring and fire resistance) (2) a number of science laboratories require modernzation.

AMOUNT OF LOANS OUTSTANDING

Mr. Flood. How many loans are still active under the program that you are talking about?

Mr. McAnallen. 631 active loans. At the time approximately 10 percent of those are in a default status.

FUTURE CONSTRUCTION NEEDS

Mr. Flood. Do you foresee in the program that there will be any use in the future for new projects now anticipated? What do you think?

Mr. McAnallen. There are, as Mr. Herrell said, pockets of need. However, when we put the total together on a national basis we cannot see a need. In prior years what we have asked for and been authorized was the authority to make loans to the extent that funds were recovered from cancellation of existing loan commitments. That is where we have given an institution a loan agreement and they were unable to go under construction or changed their plans and so we deobligated that money and were authorized to reobligate it for new loans. We do not anticipate any further cancellation of outstanding commitments.

Mr. Flood. Obviously you seem to be putting everything on the same basis, big, medium, and small operations. You also stated there in your statement that these loans are for small institutions.

You emphasized that. Well, they of course are unable, I suppose, to obtain the private loans. Of course, you must have private loans if you are going to participate in the annual interest grant program. That is their problem. Have their needs been met and anticipated so no new loans are needed?

Mr. McAnallen. The smaller institutions now are finding it difficult to incur additional capital debt. This is really the problem we see in the loan fund now. We are getting more and more inquiries as to possible moratoriums on repayment of outstanding loans, yet these institutions are the very ones that need loan funds because of their financial situation.

Mr. Flood. It is hard for them to begin.

Mr. McAnallen. It is difficult for them to pay back; yes, sir.

PROJECTS FUNDED IN 1974

Mr. Flood. For the record, the 12 projects funded in fiscal 1974:

[The information follows:]

FACILITIES LOANS APPROVED FISCAL YEAR 1974 UNDER TITLE VII-C OF THE HIGHER EDUCATION ACT OF 1965 AS AMENDED PUBLIC LAW 89-329 (FORMERLY TITLE III OF HIGHER EDUCATION FACILITIES ACT OF 1963)

State	Institution	Approved loan amount
Alabama	Daniel Payne College	[1] $174,000
California	Azusa Pacific College	693,000
	Chapman College	539,000
Georgia	Clark College	900,000
	Covenant College	[1] 40,000
	Morris Brown College	2,500,000
	Paine College	1,500,000
Mississippi	Mississippi Industrial College	402,000
North Carolina	Durham College	435,000
South Carolina	Benedict College	2,276,000
	Benedict College	224,000
	Greenville Technical Educational Center	500,000
Total		10,183,000

[1] Supplemental loan approvals.

PROJECTS TO BE FUNDED IN 1975

Mr. Flood. Do you know the four projects to be supported this year?

Mr. McAnallen. So far two supplemental loans have been awarded. We are anticipating a couple more. We had $1.5 million estimated recovered moneys. It looks like it will be about $2 million. We are holding that for institutions which go out to bid, have bid overruns and need additional loan funds in order to fully fund construction contract.

INSURING CONSTRUCTION LOANS

Mr. Flood. The 1972 act, Education Amendments of 1972, include the authority to insure loans for the academic facilities. Have you insured loans? If you have not, why haven't you?

Mr. McAnallen. That program was never really implemented.

Mr. Flood. Why not?

Mr. McAnallen. For two reasons: In 1972 we had $20 million of direct loan money, recovered funds, to make awards to small colleges. It was the small colleges that needed the loan insurance. We felt it would be better to make them a direct Federal loan than to go through the insurance route.

At this point in time, with the rate of defaults under the direct loan program increasing, it would appear at least from our standpoint that the insurance program would result in a very high rate of loss because it would be of benefit to the very institutions who were finding it most difficult to repay capital debt.

UNUSED INSUFFICIENCIES APPROPRIATION

Mr. Flood. This is the first time in a long time we have encountered an outfit where you have money lying around.

The President's budget indicates you have $459,000 carried over from 1975 to 1976.

Well, again, there is the money. Why didn't you use this? Can you imagine me asking people why they didn't use money? Why is this unused? Is it anticipated that you will have another kitty down there and this will be carried over?

Will this occur again in this budget?

Mr. Shields. Mr. Chairman, this carryover of $459,000 results from an increase in investment income from the Government National Mortgage Association. Consequently, we reduced our appropriation request in 1976 by that amount.

Mr. Flood. Why didn't you use the money? It was not used?

Mr. Shields. No, sir.

Mr. Herrell. We used it as an offset.

Mr. Flood. Are you going to have another carryover? Is this going to occur again in this budget?

Mr. Shields. Only if our income from investment, which is not under our control, increases. We get an estimate from the Government National Mortgage Association as to what they are going to invest and how much income we are going to get. We use those estimates. We cannot change them.

Mr. Flood. All right. We very seldom see money lying around like that, except in defense, of course, but this is something else.

Mr. Shriver?

Mr. Shriver. I think you have covered the questions, Mr. Chairman.

Mr. Flood. Mr. Michel?

NEW LOAN COMMITMENTS

Mr. Michel. No new loans are anticipated in fiscal year 1976, according to the budget. Does this indicate an end to new commitments under the program, or is this just a temporary thing?

Mr. Herrell. Through fiscal year 1975 authority has been requested and received to award new or supplemental loan increases to the extent that funds become available through cancellation of prior year loan commitments. In 1976 this authority is not requested since it is not anticipated that any significant amount of funds will be made available through cancellation of loan commitments. It is not anticipated at the present time that the loan program will be reactivated insofar as new loan commitments are concerned.

LOAN APPLICATIONS

Mr. Michel. Are applications for construction loans still being received, and if so, in what number? With college enrollment now pretty much stabilized and with a number of reports of overbuilding and empty dorms, I would think the need for new construction has slacked off to a considerable degree.

Mr. Herrell. Applications for new construction loans are not being accepted. While there is no way of estimating the number of applications that might be filed if applications were being accepted, it is not believed that the number would be significant, at least from private institutions of higher education. On a national basis it is believed that there no longer exists a net shortage of higher education academic space.

INTEREST RATES

Mr. Michel. At present, what is the interest rate differential between the rate received on construction loans and the rate paid on participation certificates?

Mr. Herrell. About 85 percent of the construction loans received interest income at a 3.0 percent rate. Another 15 percent of the loans received interest income at a 3.75 percent rate. The interest rates paid on the participation certificates range from 5.10 percent to 6.45 percent. This results in a differential ranging from 1.35 percent to 3.45 percent.

AMOUNT OF LOANS OUTSTANDING

Mr. Michel. What is the total amount in construction loans still outstanding, and what is the anticipated date by which they will all be paid up?

Mr. Herrell. There are approximately $468 million in loans outstanding with another $18 million in loan commitments not yet disbursed to the borrowers. As the maximum loan term by regulation is 40 years, the loans outstanding will not be fully repaid until the year 2015.

Mr. Michel. What about the participation certificates?

Mr. Herrell. As of February 28, 1975, the total amount of participation certificates outstanding was $182,903,000. However, the Office of Education has funds on deposit with the Government National Mortgage Association totaling $18,244,400. This amount, currently invested and earning income, will be used to retire a portion of the certificates on the next scheduled due date. The participation certificates are scheduled to be repaid in full by August 12, 1988.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

HIGHER EDUCATION FACILITIES LOAN AND INSURANCE FUND

For the payment of such insufficiencies as may be required by the trustee on account of outstanding beneficial interests or participations in assets of the Office of Education authorized by the Department of Health, Education, and Welfare Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(c)), [$2,701,000]$2,192,000 to remain available until expended, and the Secretary is hereby authorized to make such expenditures, within the limits of funds available in the Higher Education Facilities Loan and Insurance Fund, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 849) as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such fund: [Provided, That loans may be made during the current fiscal year from the fund to the extent that amounts are available from commitments withdrawn prior to July 1, *1975*, by the Commissioner of Education].[1/]

For "Higher education facilities loan and insurance fund" for the period July 1, 1976, through September 30, 1976, for the payment of such insufficiencies as may be required by the trustee on account of outstanding beneficial interest or participations in assets of the Office of Education authorized by the Department of Health, Education, and Welfare Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(c), $548,000, to remain available until expended, and the Secretary is hereby authorized to make such expenditures, within the limits of funds available in the Higher Education Facilities Loan and Insurance Fund, and *in accord with law, and to make such contracts and commitments without regard to fiscal year limitation as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 849) as may be necessary in carrying out the program for the current fiscal period for such fund.*[2]

Explanation of Language Change

[1] The 1975 language provided for new construction loans to be made from amounts withdrawn from earlier commitments prior to July 1, 1975. The 1976 language would eliminate such authority, since no new loans are anticipated in 1976.

[2] To provide an appropriation for the payment of participation sales insufficiencies and to continue the operation of the fund during the transition period between fiscal year 1976, which ends June 30, 1976, and fiscal year 1977, which begins October 1, 1976.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Higher Education Facilities Loan and Insurance Fund

Amounts Available for Obligation

	1975 Revised	1976
Appropriation:		
Annual (definite)...............................	$2,701,000	$2,192,000
Permanent (indefinite).........................	1,500,000	1,500,000
Subtotal Appropriation....................	4,201,000	3,692,000
Receipts and reimbursements from:		
"Federal funds"		
Investment income from participation sales funds..................................	1,070,000	1,150,000
"Non-Federal sources"		
Interest income..............................	14,218,000	14,100,000
Loans repaid..................................	12,000,000	13,000,000
Unobligated balance transferred to participation sales funds....................................	-5,425,000	-5,230,000
Unobligated balance, start of year...............	105,252,000	97,012,000
Unobligated balance, end of year.................	-97,012,000	-91,736,000
Total, obligations.............................	34,304,000	31,988,000

Summary of Changes

1975 Budget authority	$4,201,000
1976 Budget authority	3,692,000
Net change	-509,000

	Base	Change from Base
Decreases:		
A. Built-in:		
1. Interest expense on participation certificates	$4,201,000	$ -509,000
Total, net change	---	-509,000

Summary of Changes

1975 Revised obligations	$34,304,000
1976 Estimated obligations	31,988,000
Net change	-2,316,000

	Base	Change from Base
Increases:		
A. Built-in:		
1. Operating expenses	$31,987,000	$ + 1,000
Decreases:		
A. Program:		
1. Construction loans	2,317,000	-2,317,000
Total, net change	-	-2,316,000

Explanation of Changes

Budget authority--Although interest expense on participation certificates will remain constant, an increase in income relating to such certificates and additional funds available from prior year insufficiencies appropriation will provide for a reduction of $509,000 in required budget authority. This reduction results in a total budget authority of $3,692,000 in 1976 compared to $4,201,000 in 1975. The budget authority is composed of two appropriations as follows:

(1) An annual definite appropriation to pay for the 1976 insufficiency on participation certificates sold in 1968--$2,192,000 in 1976 compared to $2,701,000 in 1975.

(2) A permanent indefinite appropriation to pay for the 1976 insufficiency on participation certificates sold in 1967--$1,500,000 in 1976, the same as the 1975 level.

Obligations--In other operation costs, a small increase of $1,000 is antiticipated for 1976 ($31,988,000 in 1976 compared to $31,987,000 in 1975) These operating costs consist primarily of interest expense on participation certificates--funded by income and appropriation for insufficiencies, and interest expense to the Treasury. The interest expenses to the Treasury, funded from available funds, is based on certifications by the Treasury at the end of each fiscal year and is computed on the cumulative amount of appropriations paid out for loans under this title or available as capital to the fund less the average undisbursed cash balance in the fund during the year.

A decrease of $2,317,000 in construction loans will result in no new loans in 1976. Prior to fiscal year 1976, loans under this account were funded from amounts made available from funds withdrawn from earlier commitments.

Obligations by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
	Operating expenses:				
	(a) Interest expense:				
392	(1) Interest expense on Participation Certificates.....	$10,483,000	$10,483,000	$10,483,000	$ ---
392	(2) Interest expense to Treasury......	21,500,000	21,500,000	21,500,000	---
392	(3) Administrative expenses.........	4,000	4,000	5,000	+ 1,000
	Construction loans.........	2,317,000	2,317,000	---	-2,317,000
	Total obligations...............	$34,304,000	$34,304,000	$31,988,000	$-2,316,000

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Other services.....................	$4,000	$4,000	$5,000	$+1,000
Investment and Loans..............	2,317,000	2,317,000	---	-2,317,000
Interest and dividends...........	31,983,000	31,983,000	31,983,000	---
Total obligations by object...	$34,304,000	$34,304,000	$31,988,000	$-2,316,000

Authorizing Legislation

Legislation	1976 Authorized	1976 Appropriation requested
Higher Education Act:		
Title VII, Part C - Loans for Construction of Academic Facilities...........................	$200,000,000[1]	$ ---
Participation Sales Act...........................	Indefinite	3,692,000[2]

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[1] Authorization extended for one year under the General Education Provisions Act.

[2] Includes $1,500,000 for a permanent indefinite appropriation authorized under the Independent Office Appropriation Act of 1967.

Higher Education Facilities Loan and Insurance Fund

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1965	$169,250,000	$169,250,000	$169,250,000	$169,250,000
1966 NOA	119,050,000	119,050,000	110,000,000	110,000,000
1967 NOA	200,000,000	200,000,000	200,000,000	200,000,000
Sales	100,000,000	100,000,000	100,000,000	100,000,000
1968 NOA[1]	925,000	925,000	---	925,000
Sales	100,000,000	100,000,000	---	100,000,000
1969 NOA[1]	103,275,000	103,275,000	103,275,000	103,275,000
1970 NOA[1]	2,918,000	2,918,000	2,918,000	2,918,000
1971 NOA[1]	2,952,000	2,952,000	2,952,000	2,952,000
1972 NOA[1]	2,961,000	2,961,000	2,961,000	2,961,000
1973[1]	2,921,000	2,921,000	2,921,000	2,921,000
1974[1]	2,948,000	2,948,000	2,948,000	2,948,000
1975[1]	2,701,000	2,701,000	2,701,000	2,701,000
1976[1]	2,192,000			

[1] Excludes a permanent indefinite appropriation under "Payment of Participation Sales Insufficiencies" in the Independent Offices Appropriation Act, 1967.

NOTE: The amounts for 1965, 1966, and 1967 include the construction loan program which was previously carried under "Higher Education Facilities Construction."

7 1

Higher Education Facilities Loan and Insurance Fund

Justification

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Adjusted Appropriation:				
Appropriations for the payment of Participation Sales Insufficiencies:				
Annual (definite).........	$2,701,000	$2,701,000	$2,192,000	$ -509,000
Permanent (indefinite)1/..	1,500,000	1,500,000	1,500,000	---
Total adjusted appropriation.	$4,201,000	4,201,000	3,692,000	-509,000
Obligations:				
Operating costs:				
1. Interest expense to Treasury...............	$21,500,000	21,500,000	21,500,000	---
2. Interest expense on participation.......... certificates...........	10,483,000	10,483,000	10,483,000	---
3. Administrative expenses.	4,000	4,000	5,000	+ 1,000
Capital outlay:				
1. Construction loans.....	2,317,000	2,317,000	---	-2,317,000
Total obligations............	$34,304,000	$34,304,000	$31,988,000	$-2,316,000

[1/] Authorized as indefinite permanent appropriations "Payment of Participation Sales Insufficiencies" in the Independent Offices Appropriation Act, 1967.

General Statement

To carry out a program of making and insuring loans, Title VII of the Higher Education Act authorizes the Commissioner of Education to make loans to institutions of higher education and to higher education building agencies for the construction of academic facilities and to insure the interest and principal on other loans financed from private capital. Such loans may cover up to 80 percent of a project's total development cost and must be repaid within 50 years. The Participation Sales Act, Public Law 89-429, approved on May 24, 1966, established a revolving fund for these loans, and provides that appropriations made available for Title VII may be deposited into the Fund. Participations in pools of such loans were sold by the Federal National Mortgage Association, of which the proceeds were deposited into the Fund to be used for new loans to colleges and universities.

Construction Loans

During 1970 and through 1973, loans under this program were displaced by the annual interest grant program under the higher education appropriation. However, new loans were made from the Fund to the extent that such amounts were made available from withdrawals of earlier commitments. These amounts were used to fund those small institutions of higher education which were unable to obt[illegible] private loans necessary to participate in the annual interest grant program.

During 1974, 10 new and 2 supplemental construction projects totaling $10,183 thousand were supported from funds withdrawn from earlier commitments. It is anticipated that additional funds available from commitments withdrawn prior to June 30, 1975, will support approximately two new and two supplemental construction projects totaling $2,317 thousand in 1975. Although no new loans are anticipated in 1976, the fund will continue to incur expenses for operating costs.

Operating Costs

The Participation Sales Act specifically authorizes the sale of participations in pools of loans in cases where the total receipts from the loans in the pool, after covering the costs of servicing the loans and administering the participation pool, may be insufficient to provide for timely payment of interest and principal on the participation. Appropriations to pay such insufficiencies are authorized.

In cases where the aggregate receipts may be insufficient to cover the payments as they become due, participations are salable on favorable terms only if buyers are assured that funds will be supplied to cover the insufficiency. The actual amount of the insufficiency is determined primarily by the difference between the interest rate required to sell the participations to the private credit market, and the interest rates paid by higher education institutions on their loans; and this cannot be estimated in advance of the sale. Therefore, Section 302(c)(5) of the Federal National Mortgage Association Charter Act as amended by the Participation Sales Act authorizes an indefinite appropriation of such sums as may be necessary and without fiscal year limitation to assure the successful sale of participations. Although the authorization is indefinite, it is effectively limited, since it can be used only in connection with participation sales in amounts specified by the accompanying authorization for sales. It is also permanent because it authorizes amounts necessary for meeting insufficiencies in any fiscal year in which participation sales provided for in accompanying authorizations are still outstanding.

In fiscal year 1967, a permanent indefinite appropriation was included under "Payment of Participation Sales Insufficiencies" in the Independent Offices Appropriation Act. This appropriation is limited to insufficiency payments for the $100,000,000 in participations which were sold in fiscal year 1967. Funds used against this appropriation on a full year basis, consisted of $1,340,000 in 1974 and $1,500,000 in 1975. It is anticipated that funds used in 1976 will continue at the same $1,500,000 level.

For the $100,000,000 in sales authorized in fiscal year 1968, annual definite appropriations of $2,948,000 for 1974 and $2,701,000 for 1975 were included in the Office of Education Appropriaitons. The budget request includes an estimate of $2,192,000 for 1976 payments against these sales authorized in 1968.

Total insufficiency payments in 1976 are estimated at $10,488,000. This amount will be derived from about $5,187,000 in interest collections on loans held by colleges and universities, $1,150,000 in investment income, $459,000 in unused insufficiencies appropriation from 1975, and $3,692,000 from appropriations including $1,500,000 under the 1967 Appropriation Act. The decrease in appropriation requirements is primarily because of an increase in investment income, and the use of prior year insufficiencies appropriations.

For other operating costs, an amount of $21,500,000 is estimated for interest expense to the Treasury on loans paid out of appropriated funds or capital available from appropriated funds less the average undisbursed cash balance in the Fund during the year.

OFFICE OF EDUCATION

Higher Education Facilities Loan and Insurance Fund

Program Purpose and Accomplishments

Activity: Operating Costs (including payment of participation sales insufficiencies and interest expense to the Treasury)

		1976	
1975 Estimate	1975 Revised	Authorization	Budget Estimate
$4,201,000	$4,201,000	Indefinite	$3,692,000

Purpose: In its initial stage, the Fund sold participation certificates to the private credit market of which the proceeds were used to make new loans to higher education institutions. Since the interest received by the Commissioner on the loans is less than the interest paid by the Commissioner on the participation certificates, appropriations for insufficiencies are needed each year.

Explanation Although no new loans are anticipated in 1976, appropriations are made available for the operation of the Fund primarily for the payment of participation sales insufficiencies. Interest expense, funded from available funds, is payable to the Treasury on the net amount of appropriations used for construction loans since inception of the program.

Accomplishments in 1975: Appropriation for insufficiencies decreased from $4,288,000 in 1974 to $4,201,000 in 1975. Interest expenses to the Treasury increased from $21,113,000 in 1974 to $21,500,000 in 1975. Funds withdrawn from earlier commitments supported 2 new and 2 supplemental construction projects totaling $2,137,000 in 1975. During 1974 10 new and 2 supplemental construction projects totaling $10,183,000 were supported.

Objectives for 1976: Appropriation for insufficiencies are expected to decrease from $4,201,000 in 1975 to $3,692,000 in 1976. Estimated interest expense to the Treasury will remain at the same $21,500,000 level as in 1975. No new construction projects are anticipated during 1976.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Higher Education Facilities Loan and Insurance Fund

Amounts Available for Obligation

	1976 Estimate	Estimate July 1, 1976 -- Sept. 30, 1976
Appropriation:		
Annual (definite)	$2,192,000	$ 548,000
Permanent (indefinite)	1,500,000	375,000
Subtotal Appropriation	3,692,000	923,000
Receipts and reimbursements from:		
"Federal funds"		
Investment income from participation sales funds.	1,150,000	288,000
"Non-Federal sources"		
Interest income	14,100,000	3,525,000
Loans repaid	13,000,000	3,250,000
Unobligated balance transferred to participation sales funds	-5,230,000	-1,308,000
Unobligated balance, beginning of year	97,012,000	91,736,000
Unobligated balance, end of year	-91,736,000	-90,418,000
Total, obligations	31,988,000	7,996,000

Obligation by Activity

	1976 Estimate	Estimate July 1, 1976 -- Sept. 30, 1976
Operating expenses:		
(a) Interest expense:		
(1) Interest expense on Participation Certificates......................	$10,483,000	$ 2,620,000
(2) Interest expense to Treasury	21,500,000	5,375,000
(3) Administrative expenses............	5,000	1,000
Total obligations................................	31,988,000	7,996,000

Obligations by Object	1976 Estimate	Estimate July 1, 1976 -- Sept. 30, 1976
Other services.................................	5,000	1,000
Interest and dividends...........................	31,983,000	7,995,000
Total obligations by object.....................	31,988,000	7,996,000

Higher Education Facilities Loan and Insurance Fund

Justification (for the interim period July 1, 1976 through September 30, 1976)

	1976 Estimate	Estimate July 1, 1976 -- Sept. 30, 1976
Appropriations:		
Annual (definite)................................	$ 2,192,000	$ 548,000
Permanent (indefinite) 1/......................	1,500,000	375,000
Subtotal Appropriations....................	3,692,000	923,000

1/Authorized as a permanent indefinite appropriation, for the payment of participation sales insufficiencies, in the Independent Office Appropriation Act of 1967.

Narrative

This request, for the period July 1, 1976 through September 30, 1976, is based on the assumption that all activities will operate at the same level as estimated in fiscal year 1976. Thus a one-fourth rate is applied to the 1976 level to arrive at the estimated interim level.

The appropriation request of $548,000 together with the estimated permanent indefinite appropriation of $375,000 and receipts into the fund income from loans supported by participation certificates of $1,697,000 will support $2,620,000 in interest expense on participation certificates. Other operating costs will be supported by receipts into the fund.

FRIDAY, MARCH 14, 1975.

EDUCATIONAL ACTIVITIES OVERSEAS

WITNESSES

S. W. HERRELL, ACTING DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION

DR. TERRELL H. BELL, COMMISSIONER OF EDUCATION

DR. ROBERT C. LEESTMA, ASSOCIATE COMMISSIONER FOR INSTITUTIONAL DEVELOPMENT AND INTERNATIONAL EDUCATION

RICHARD D. SCARFO, PROGRAM MANAGEMENT OFFICER, OFFICE OF ASSOCIATE COMMISSIONER FOR INSTITUTIONAL DEVELOPMENT AND INTERNATIONAL EDUCATION

CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. We have pretty much the same cast of characters for the next appropriation, which is "Educational activities overseas."

Mr. HERRELL. We have Dr. Leestma who you met yesterday and I will introduce you to a new member who is Mr. Scarfo, program officer in this particular area. I have a one-page statement which I will be happy to read.

Mr. FLOOD. All right.

GENERAL STATEMENT

Mr. HERRELL. Mr. Chairman and members of the committee, I welcome this opportunity to appear before you in support of the "Educational activities overseas" appropriation. This program seeks to improve the quality of foreign language and area studies instruction in the United States primarily by developing or upgrading the technical capabilities and intercultural insights of potential teachers, practicing teachers, and others in leadership positions in education. Most of the program participants engage in a variety of research and training activities, develop instructional materials for use in U.S. institutions, and acquire valuable firsthand knowledge of the languages and cultures they expect to teach.

We are requesting for fiscal year 1976, $2 million in U.S. owned excess foreign currencies to assist American education in providing selected training and research programs abroad in foreign languages, area studies, and world affairs.

The fiscal year 1976 request is $1 million more than the 1975 appropriation, but only $582,506 more than the total program obligation for that year, which amounted to about $1.4 million, including the 1975 appropriation of $1 million plus more than $400,000 recovered from unexpended portions of grants from previous years.

These funds will support approximately 69 projects, 18 more than in fiscal year 1975.

My colleagues and I will be happy to answer any questions the committee may have.

HISTORY OF SPECIAL FOREIGN CURRENCY PROGRAM

Mr. FLOOD. How long has this program been going on?

Mr. HARRELL. May I ask Mr. Leestma to answer that?

Mr. LEESTMA. The first appropriation to the Office of Education, was back in 1961, a very small appropriation of $30,750. The beginning of a more substantial appropriation level, starting at $400,000, dates back to 1963. The budget justification material you have picks up the appropriation history in 1966 and brings it to the present time.

Mr. FLOOD. When we first started this program, how many countries were there that had the excess foreign currencies?

Mr. LEESTMA. As you know, the language gets a little complicated here sometimes.

Mr. FLOOD. Well, when we started out, how many had excess foreign countries?

Mr. LEESTMA. On the gross list that you would get from the Treasury Department for the mid-1960's, it would have shown something like a dozen, but in only about eight of those countries would a determination have been made that the amount owned by the U.S. Government was excess to normal U.S. Government needs. So we started with essentially eight and we are down today primarily to four, with a little left for a few years yet in a fifth country, Tunisia.

NUMBER OF PROJECTS FUNDED

Mr. FLOOD. How many projects would be funded for this budget request of $2 million?

Mr. LEESTMA. Well, with the budget request at $2 million and using the program categories we use, you would have a grand total of 69 projects, ut they are not all comparable kinds of projects as we have discussed in previous years.

Mr. FLOOD. Is that more or less the number we supported this year?

Mr. LEESTMA. With the fiscal year 1974 we had a grand total of something over $2 million because there was a carryover in the case of India and Egypt. You will recall our discussion on that last year. You appropriated $1 million in new money in fiscal year 1975 and we had about 0.4 million dollars' worth carried over as recoveries from previous years.

Mr. FLOOD. Is that still more or less the same number we supported this year?

Mr. LEESTMA. Somewhat less because the total amount of money is less.

OBLIGATIONS

Mr. FLOOD. The total amount you have available for 1975 is about $1.4 million.

How much of that was obligated as of the 28th of February?

Mr. HERRELL. We will have to ask Dr. Leestma, Mr. Chairman.

Mr. LEESTMA. That again is a difficult question, sir, because, as you know, the excess foreign currencies are "no year" funds.

Because of the additional time and applications involved in field review of proposals for research and training abroad, our project approval process strings out over the spring. By the end of the fiscal year we will normally have obligated all of the appropriation for the year. At this given moment it will be less than the total amount available on February 28. But all of it is programed for obligation and all of it will be obligated by June 30.

Mr. **Flood.** Do you expect to need all the $1.4 million for this fiscal year?

Mr. **Leestma.** Yes.

Mr. **Herpell.** We expect to need more than that, Mr. Chairman.

COUNTRIES IN WHICH EXCESS FOREIGN CURRENCIES ARE AVAILABLE

Mr. **Flood.** Your justifications refer to five countries. I do not think anybody has any doubt about Egypt, India, Pakistan, Poland, Tunisia. There they are. Are these the only countries in which the United States holds excess currency?

Mr. **Leestma.** These are the only countries in which (a) the amount of holdings owned by the United States have been judged to be in excess of our Government's normal needs, that is to say, the running of U.S. embassies abroad, and so forth; (b) where there is strong interest in American educational community in undertaking research and training activities; and (c) where such educational activities are welcomed by the host governments. As the table I am submitting for the record indicates, there are two additional countries where the United States holds foreign currencies excess to its normal needs where we have no current programs because all three of the foregoing conditions do not prevail—Burma and Guinea. In Tunisia's case, there is only a 2- or 3-year supply left, so we are very limited in what we can do.

Mr. **Flood.** How much is still left over in Poland?

A couple of years ago it was astronomical. It was something like 350 million zlotys.

Mr. **Leestma.** The Polish case is unique because it is the only one that calls for repayment in hard currencies. As of December 31, 1974, 2½ months ago, the figures show 282 million dollars' worth of zlotys owned by the U.S. Government of which $275,629,000 is available for use.

Mr. **Flood.** What is the level of the foreign currencies in those countries? It has been going down pretty rapidly, has it not?

Mr. **Leestma.** You have two factors, one is the drawdown year by year and the other relates to the country with the largest single holding, India. You recall the problem with the so-called rupee overhang. Last year a settlement was negotiated with the Indians by the State Department which in effect wiped the slate practically clean insofar as Public Law 480 funds are concerned. As the table shows, there is still a very large balance of excess currency held in India, twice the total of the next largest country holding, Poland, available for U.S. use, from sources other than Public Law 480 transactions.

Mr. **Flood.** Now we are curious as to whether these countries might now wish to restrict these Government-sponsored activities within their own boundaries due to what we call "sensitive political considerations."

That sounds like the State Department "sensitive political considerations." But you know what I mean. Have you had any problems in the past like that?

Mr. Leestma. Yes, sir. We have had problems, not as a result of these projects or our educational programs but because of the larger political questions between the countries concerned. I am pleased to report that in two countries, India and Egypt, as a result of a good deal of skillful work under Secretary Kissinger's leadership, the United States is working at very high levels to expand and improve educational relationships as well as other relationships. I can testify from first hand experience in the past few months or so that both the Egyptian and Indian governments have confiirmed their receptivity to the kind of educational program we put before you here both in kind and in amount.

Mr. Flood. If these countries, especially the ones we are talking about, if they do wish to restrict us, what happens to the funding of a particular project?

Do you expect any difficulty in such a case during this coming year?

Mr. Leestma. We expect no difficulty, sir, in any of the countries and in any of the projects and programs we have before you. In fact, the reason you have a $2 million request rather than a $3 or $4 million dollar request is because we purposely, as a matter of prudent program planning, endeavored to make a conservative estimate of the willingness and, what you might call the absorptive capacity of each country to accommodate our projects.

GROUP PROJECTS

Mr. Flood. We have not talked much about the group projects. Can you give us some specific examples of what you call group projects, examples of their being funded? As I recall in these group projects you have the cost sharing requirement.

Mr. Leestma. That is right.

In fact, we lean toward cost sharing in virtually everything we do in this category of activity. We believe strongly in self-help. Let me give you quickly a few examples of good group projects from last year.

As you know, one of the specific objectives we have under the OE program for training abroad is the improvement of language instruction and language proficiency. This I know this committee has long believed in the importance of this objective. One of the projects we funded last year in Poland was a project sponsored by Alliance College in Pennsylvania for improving the training of teachers of Polish.

That is particularly important because Alliance College was recently certified by the State Department of Education in Pennsylvania to prepare teachers of Polish. Officials of the college attribute the achievement in part to the operation of their program in Poland which was made possible through financial assistance from group projects abroad program.

As part of our efforts in strengthening Polish language training for Americans we co-sponsored, under our research program with partial funding from the Public Law 480, a new textbook called Communicating in Polish, which goes beyond anything on the scene now in endeavoring to infuse a sense of reality about contemporary Polish culture into the language classroom. As you can see, the book is extensively illustrated. It emphasizes candid shots of everyday life, "the kinds of situations in which Polish people commonly live and work and communicate with each other." The project was carried out in conjunction with the Foreign Service Institute.

A second example of a group project would be a faculty seminar in Egypt for selected faculty members from 18 community colleges from 9 States across the country under the general coordination of Brookedale Community College in New Jersey.

Mr. FLOOD. Yes, I heard about that.

Mr. LEESTMA. One could go on in this fashion.

Mr. FLOOD. Put the others in the record, the other examples.

[The information follows:]

Insert page 1771 a

PAKISTAN

Faculty Seminar on Urban and Rural Development Policy in Pakistan

(University of South Carolina on behalf of two consortia and other institutions)
$28,589

17 participants from 15 colleges and universities in the Southeast, drawn from the sponsoring consortium, Southern Atlantic States Association for South Asian Studies (SASASAS); a cooperating consortium, the South Carolina Foundation of Independent Colleges; and 4 other institutions. The participating institutions were: Guilford College, Meredith College, North Carolina State University, St. Andrews College, Sweet Briar College, University of South Carolina, Erskine College, Columbia College, Newberry College, Limestone College, Wofford College, Warren Wilson College, Valdosta State College, Columbus College, West Georgia College.

The purpose of the seminar was to assist faculty in member institutions to offer new courses and course units in economics, political science, public administration, urban planning, sociology and anthropology as these fields relate to Pakistan and more generally to developing nations. During the six weeks in Pakistan the group studied development policies, projects, and problems in rural and urban areas and conferred with key Pakistani Government officials and academics. Follow-up activities in the United States are being coordinated by the SASASAS consortium.

POLAND

Community College Consortium Seminar in Polish Studies

(GT-70 Consortium---member and associated institutions:

Brevard Community College, Cocoa, Florida
Chabot College, Hayward, California
Essex County College, Newark, New Jersey
Metropolitan Junior College District, Kansas City, Missouri
Monterey Peninsula College, Monterey, California
Tarrant County Junior College, Fort Worth, Texas
Washington Technical Institute, Washington, D.C.
William Rainey Harper College, Palatine, Illinois
Chicago Community College System, Chicago, Illinois
Cuyahoga Community College, Cleveland, Ohio
Kirkwood Community College, Cedar Rapids, Iowa
Miami-Dade Junior College, Miami, Florida) $40,000

27 participants from 12 community and junior colleges in 10 states participated in this interdisciplinary training and curriculum development project. The 7-week program in Poland was coordinated by the Jagellonian University in Krakow. The group, organized into various production teams, produced text and audio-visual materials on contemporary Poland which are now being used in the participating institutions and are also being made available to other institutions.

For example, participants from Essex County College have used their experience to help revitalize the Ethnic Studies program at their institution. A special course on Slavic Culture was developed from the Polish field experience and the videotapes produced there. The course has been well received in a number of communities and has made an important contribution to increasing community appreciation of the Polish ethnic heritage.

Insert: page 1771 b

EGYPT

Educating Southwest Minnesota Teachers on the Role of Education in Economic and Social Development in Egypt
(Southwest Minnesota State College) $48,339

14 elementary and secondary school teachers from 12 school districts and 5 faculty members from 2 four-year colleges, primarily from Southwestern Minnesota, participated in an intensive six-week summer program of lectures, discussions, and field trips to gain a basic orientation to Egypt and to the role of education in economic and social development in Egypt. All participants who were new to Middle Eastern studies were required to take a 10-week credit course on "Egypt and the Arab World" before entry into the summer field program. A variety of follow-up activities are in process, including materials development and exchange, which are clearly enriching the study of Egypt in several school districts and colleges in Southwestern Minnesota.

TUNISIA

Training Program in Arabic Studies
(University of Utah on behalf of the Western Consortium of Universities) $92,928

40 graduate and undergraduate students specializing in Arabic studies participated in an intensive eight-week program at the Bourguiba Institute of Living Languages at the University of Tunis. The forty participants were selected on the basis of academic record and were recruited nationally. Most came from the Western institutions served by the Consortium. The program offered instruction in second and third year Arabic grammar, phonetics, literature, and conversation.

The universities in the Western Consortium are Arizona, University of California at Los Angeles, University of California at Berkeley, Portland State, Texas, Utah, and Washington.

INDIA

Summer Institute in India for Teachers and Curriculum Supervisors
(Eastern Michigan University) $42.100

22 elementary and secondary teachers and curriculum supervisors from various school districts in Southeastern Michigan, especially the Detroit area, participated in seminars and field trips to gather information on contemporary India relevant to the study of contemporary issues in the third world. The program was affiliated with Punjab University, Chandigarh, and was coordinated by the bilateral Fulbright commission in India. At the conclusion of the overseas program Eastern Michigan University began coordination of follow-up activities beginning with a regional conference for developing curriculum materials.

Field Seminar on the Role of Education in Development in India
(Grambling College, Louisiana) $41,960

18 faculty members from 10 institutions of higher education in Alabama, Louisiana, Georgia, Virginia, Florida, Tennessee, and West Virginia participated in a two-month program of seminars with key Indian Government officials and academic experts and related field trips in India. The program in India was affiliated with

the Rural Institute of Higher Education in Gandhigram and coordinated by the U.S.-Indian bilateral Fulbright commission. Most of the group were from disciplines in the social sciences and the humanities. The experience provided a variety of opportunities for gaining knowledge, insights, and source materials to establish or improve cross-cultural perspectives, comparative approaches, and/or Asian studies in their home institutions.

Following their return to the United States the participants continue to meet together to exchange information about classroom experiences resulting from the project and to exchange teaching materials developed. The field experience in India is an essential part of Grambling University's plan to develop a broad-gauge Asian Studies program. Faculty members participating in this Group Project Abroad came from the following institutions: Grambling State University, University of Georgia, Virginia Commonwealth University, Knoxville College, Miles College, Northeast Louisiana University, University of Southwest Louisiana, Centenary College, Florida International University, West Virginia Institute of Technology.

Work-Study Internships for Professional School Students and Faculty

(University of California---Berkeley) $65,000

Twelve participants from eight professional schools (Law, Optometry, Architecture, City and Regional Planning, Education, Social Welfare, Design, and Nutritional Science) engaged in work-study programs related to their fields of specialization for an academic year. Practical work experience was interspersed with seminars on Indian history and culture and first-hand contact with the interdisciplinary approach to development.

After return the participants extensively utilize their experience in India in their teaching, research, and curriculum development, thus helping their professions develop a comparative and international perspective relevant to the contemporary world and better equip themselves and their students for a broader range of service at home and abroad. For example, two optometry teachers draw on their Indian experience to illustrate various eye pathologies which are common among populations receiving inadequate health care and nutrition, but which students would not routinely encounter in conventional U.S. domestic training. Other examples would include the introduction of interdisciplinary perspectives and materials in law and public health and the enrichment of architectural courses through the addition of examples from India.

FOREIGN LANGUAGE TRAINING PROGRAMS

Mr. Flood. Now, will you describe how this foreign currency program relates to the foreign language training and area studies program. That is the NDEA title VI program.

Mr. Leestma. With the good support of this committee over the years a very formidable foreign language teaching capability has been developed in American higher education in the nonwestern languages. Many languages are being taught in a rather large number of institutions, as you know. What we finance overseas in language training is focused on intensive advanced language training in nonwestern languages for people who have already demonstrated both language aptitude and beginning language fluency in the language and intend to use it in a specialist capacity.

If you have someone who is going to be a specialist in Eastern European studies and needs a high level of proficiency in Polish to conduct his or her research, obviously the way to get the best command of the language in the shortest period of time after taking basic language training in the United States on an American campus, is to get training overseas.

We do not select people at random. The American institutions which sponsor and operate these programs select people who have career commitments to the language or area who have already demonstrated their ability.

We help underwrite such advanced training in Arabic and Hindi-Urdu as well as Polish with this appropriation. We assist comparable programs in Chinese and Japanese with dollars under our Fulbright-Hays appropriation.

YUGOSLAVIA

Mr. Flood. For number of reasons we ought to have an interest in Yugoslavia, with the concerns there; do we have a project going in Yugoslavia?

Mr. Leestma. It is with deep regret that I report Yugoslavia went off the U.S. excess currencies list a year ago.

The U.S.-owned dinars that were in excess of normal Embassy needs have been used up. It is a great regret because Serbo-Croatian is a very important language.

COUNTRIES WHERE EXCESS FOREIGN CURRENCIES ARE AVAILABLE

Mr. Michel. Why don't we have a list of those countries where we still do have that balance of foreign currencies. I know it was large at one time and it keeps dwindling.

[The list follows:]

EXCESS FOREIGN CURRENCIES HELD BY U.S. GOVERNMENT (AS OF DEC. 31, 1974)

Country	Total balances on hand	Available for U.S. use	Public Law 480	Other
Burma	15,678,000	13,232,000	4,785,000	8,447,000
Egypt	253,689,000	209,762,000	209,500,000	262,000
Guinea	8,318,000	6,431,000	6,137,000	294,000
India	959,559,000	550,361,000	22,567,000	427,794,000
Pakistan	162,000,000	149,134,000	61,064,000	88,070,000
Poland	282,000,000	275,629,000	275,629,000	
Tunisia	20,975,000	20,237,000	17,957,000	2,280,000
Total	1,702,219,000	1,224,786,000	597,639,000	527,147,000

Source: Special Reports Office, U.S. Department of the Treasury.

INTERIM BUDGET

Mr. FLOOD. I have just one more question. Where did you get that figure of $200,000 for your interim budget?

Mr. LEESTMA. This is for the expenditures anticipated during the transition period.

Mr. FLOOD. Why $200,000?

Mr. SCARFO. The $200,000 figure was carefully considered by the staff.

That figure was arrived at to meet the needs of the office in transferring funds to the Department of State for professional support services that the Department of State provides for our projects abroad during those months.

In addition, it provides for a transfer of funds to the National Science Foundation something which we do on an annual basis for them to prepare bibligraphic materials and for some research projects under title VI, section 602 language research program.

Mr. FLOOD. Mr. Michel.

REVIEW OF PROJECTS

Mr. MICHEL. That last reference to the National Science Foundation prompts me to ask this question. Do you have any review at all of the projects that the National Science Foundation might defer to you or refer to you to fund in this program?

Mr. LEESTMA. There is a pretty close coordination on those areas that we call gray areas that might fall between the two agencies or straddle the boundary line.

Mr. MICHEL. If they came to you with a research project to determine why men love women, which is getting so much press these days, how do you have a vehicle for vetoing that kind of thing? We continually get heat in the press, and people write us from home, saying, "How can you permit this silly business to go on." We are at a doggone wit's end because we do not want to infringe upon academic freedom, but we have to vote the sums of money blankly. Then some screwball wants to find out why men and women are attracted to one another. He makes us look like a bunch of chumps.

The National Science Foundation is one of the worst offenders. I had hoped that within the academic community we would have a little more mission in this thing. I am about to write the President and ask him to appoint an ad hoc committee here and have every department head accountable for some of these silly things that come up and embarrass the Congress and provoke the questions that the general public raises with respect to how much money we can throw around in some of these silly things.

There is not personal reference to you, Doctor, because I love you dearly but I have to make the point here because I just had a couple of letters. That is one of the reasons I am late. I had to write a couple of letters defending that.

Mr. LEESTMA. Mr. Michel, we are in no way unmindful of the point you make and the concern you express. It hits us, too, but in a somewhat different way. Whereas each agency makes its own determination of how the potential in the various special foreign currency balances might help it achieve its agency mission, the fact remains that in the eyes of the general public and sometimes in other quarters Public Law 480 is seen as some kind of single unitary program.

Any flak about any program funded with excess foreign currency tends to spill over and hurt the rest.

Without regard to any reference to any other agency, let me say that in our agency we work very hard to be sure that such funds as are available for research and training go to undertakings which are worthy. The Commissioner bears the final responsibility for judgment on the merit of each individual project. We are both prepared to stand on our record because the fact of the matter is, that to my knowledge this committee has never been embarrassed by the programs we have put forward and that you have funded.

For the record, that does not mean that we are claiming the entire program is without flaw or need for improvement. It does mean that I do not think you have had to apologize to anyone for these activities. You have not had to help carry water for us. We take very seriously our responsibilities in this area.

Mr. BELL. I think we should limit that to your program and not to the Office of Education when we say we have not embarrassed the committee on some of our grants.

Mr. LEESTMA. Let me also say, Mr. Michel, that our area of concern and you might say the limits of our authority are set forward clearly enough in the authorizing legislation for this program so that we do get a little help in staying away from some of the things that might otherwise cause trouble.

In a nutshell, our concern here, our focus, is on the preparation of teachers and prospective teachers of foreign language and area studies and world affairs to help improve their skill in the languages and knowledge of the culture of the people from other countries.

We simply do not, as a matter of policy, stray from that general charge. Within that mission we then look carefully and make the best judgments we can on whether the various proposals are, in fact, worth using public money for.

Mr. MICHEL. I am glad to hear that, Doctor. I have no further questions.

Mr. FLOOD. Mr. Shriver.

Mr. SHRIVER. Thank you, Mr. Chairman.

I am glad Mr. Michel brought that up, because we are getting a lot mail right now. I do not know what has prompted it. I think some commentators or journalists are putting out long lists of these duplicate projects. Who else do we talk to besides the Office of Education?

Mr. MICHEL. Oddly enough we can even go out to the National Institutes of Health and some of the grants for research projects in that area that are causing us embarrassment.

Mr. MILLER. The trouble is that titles are not descriptive. We get into more trouble on the titles than the substance of the research. If we could only learn to describe it in a less superficial manner, we would not get into so much trouble.

Mr. SHRIVER. I will bet I have had 50 letters on it.

TRANSFER TO NATIONAL SCIENCE FOUNDATION

Mr. LEESTMA. Mr. Michel, may I add a comment to my earlier one? You might wonder why it is that we transfer funds to the National Science Foundation. The National Science Foundation has a government-wide mandate with respect to translation from foreign languages of a number of things, in the broad area of science, with the general objective of trying to make available for United States use, findings from research in other countries which would help contribute to the advancement of science and to the solution of various problems in the United States. Educational research falls within the broad spectrum of scientific research.

Since NSF has translation capability in place, we simply pay for the services of their translation facilities. This permits us to keep abreast at modest cost of selected educational developments, including educational research efforts, in some other countries which we should know about and which from time to time we think are useful. Here are two examples of translations produced under this program. This is an annotated bibliography of Polish educational materials and here is a selected bibliography and abstracts of selected educational materials from Pakistan. These convenient English summaries represent a low-cost economical way for American educators to keep in touch with research abroad.

We don't do it in all countries, just where it is feasible with U.S.-owned excess foreign currencies.

AMERICAN INSTITUTIONS ABROAD

Mr. SHRIVER. I am on another subcommittee of Appropriations that has an item in its budget for American schools and hospitals abroad, such institutions as American University of Beirut, Roberts College, et cetera. Does your activity called educational activities overseas have any connection with these institutions?

Mr. LEESTMA. No, sir, it does not. This one focuses on American teachers and prospective teachers, read broadly to be university faculty as well as elementary and secondary teachers and curriculum specialists. It focuses on them to better equip them to teach about the rest of the world in American classrooms. It does not provide any kind of direct budget support to any permanent American institution overseas. Federal money for this purpose comes from such budgets as the Department of State, I think in one respect, AID, DOD, and perhaps still other agencies. But this appropriation does not fund that sort of thing.

The title "Educational Activities Overseas" is therefore a bit misleading on the appropriation line.

PROGRAMS IN EGYPT

Mr. **SHRIVER.** You started to say something about the need for good projects, and you are not going to be able to meet the need because you are only asking for $2 million. You started to mention the junket to Egypt.

Mr. **LEESTMA.** It is hardly a junket.

Mr. **SHRIVER.** Well, will you tell us about that?

Mr. **LEESTMA.** It has been Secretary Kissinger's conception and initiative that have brought about the establishment of a new bilateral mechanism called a joint cooperation commission in half a dozen countries. The countries are Saudi Arabia, Iran, Egypt, Israel, Jordan, and now India. There may be one or two others coming up.

These are countries which are clearly of major foreign policy importance to the U.S. Government. They are countries where improved relations can only be to the benefit of both countries. It was Dr. Kissinger's view that the best way to take a good look at relationships and needs in educational, scientific, cultural, economic, and sometimes other areas was by establishing a new high level consultation framework, a joint cooperation commission with distinguished members on each side. The two national teams sit down together under the sponsorship of the Foreign Minister of the other country normally and the Secretary of State in this country, to look at areas of mutual concern, identify activities that could be carried out to mutual benefit, and where possible in a collaborative fashion. In the case of Egypt, and also India, I serve on the subcommittee concerned with education on behalf of HEW.

In Egypt's case, as you know, diplomatic relations between the United States and Egypt broke off back in 1967 and only recently were reestablished. There was a long gap in formal diplomatic contact between the two countries. It is interesting to note, as I know you will recall from hearings in other years, that during that hiatus in formal relationships the Office of Education projects in Egypt were the largest U.S. Government educational activity that was permitted to operate year in and year out in the absence of diplomatic relationships and contributed a great deal to keeping the doors of communication open and attitudes about the desirability of professional cooperation and exchange alive.

Mr. **SHRIVER.** I thought you said you planned a conference with junior colleges.

Mr. **LEESTMA.** I'm sorry. I missed the question. One of the group projects we put forward, in answer to an earlier question, as an illustration of the kind of thing we help fund dealt with Brookdale Community College in New Jersey. It was a training and curriculum development project concerned with modernizing the community college curriculum and making available to the students who attend that institution and others some up-to-date knowledge of an increasingly important area of the world.

The Middle East is the newest area of overriding concern to most of the world for the obvious reasons we all know. It is also one of the so-called non-Western areas that has received relatively little attention across the board in most American higher education institutions during the last 20 years. Therefore, it represents a very forward-looking attitude on Brookdale Community College's part to want to upgrade its faculty and those of other community colleges across the country to offer some solid, introductory orientation to the contemporary Middle East.

You can find Egypt in a number of textbooks but when you analyze the extent to which that treatment is up to date and the extent to which it deals with Egypt and its neighboring countries as they are today, you can see how inadequate the coverage usually is. In the case of Egypt, you find a page or two and if there is a picture you find the Sphinx, the Pyramids, or a camel. That is hardly representative of contemporary Egypt. Egypt is clearly a nation of major importance for the foreseeable future. It holds much of the key in many cases to the alleviation or resolution of the present state of great tension in the Middle East. I would argue, as I think most would, that any institution of higher learning today that is not in the process of preparing itself to offer up-to-date instruction on the Middle East is sadly delinquent in its basic educational duties.

Mr. **Shriver.** This will be a conference where you have representatives from junior colleges from this country attend the conference to learn more about the teaching methods?

Mr. **Leestma.** It is not a conference. It was a seminar and workshop in which 22 faculty members, curriculum experts, and audio-visual specialists from 18 community colleges in nine different States in the United States went to Egypt for 2 months last summer. They studied about contemporary Egypt and the Middle East in an intensive program arranged in Egypt by the American University in Cairo. It was a systematic, accelerated course on the area. The participants also produced a variety of useful text and audio-visual materials for use in community colleges and secondary schools in the United States.

Mr. **Shriver.** And you supplied the money for this?

Mr. **Leestma.** We supplied a fair share of the money it took to make this experience possible in Egypt rather than in some classroom on an American campus.

As a matter of policy we did not fund everything.

Generally what we would fund in a case like this would be basically the round-trip travel. We would fund most of the expenses of organizing and offering the instructional program in Egypt, and we would fund a portion of their daily per diem expenses, but commonly at less than the actual cost. In other words, we do require what we call from time to time a "sweat equity." We expect the institutions and faculty involved to be committed enough to this kind of thing that they themselves are willing to share in the costs of it.

Cost-sharing is not a bad test, not a bad self-selection device in the selection process, to help insure that you are getting people who are serious about this as a professional educational experience instead of seeking it as some sort of a lark at the taxpayers' expense.

Mr. **Shriver.** Will the teachers in junior colleges in my State have an opportunity to do this?

Mr. **Leestma.** Yes.

Mr. **Shriver.** How would they go about it?

Mr. **Leestma.** It varies from project to project. Basically they would apply to the sponsoring consortium or to the office of education directly. I will provide you with a packet of program brochures and related information. In this particular case there is a national consortium of

43 junior colleges that have banded together in an organization called the League for Innovation. They are 43 institutions who take seriously the need to keep up to date and to develop new and improved programs and methods of instruction.

Brookdale Community College is serving as the lead institution, as the coordinating institution on behalf of the League for Innovation in submitting the proposal. They received and administered the grant on behalf of the consortium. Brookdale carried the responsibility for not only the organization of the project abroad and for the distribution of information about opportunities, but also the responsibility for dissemination of the instructional materials produced in this program as a result of the experience.

The aim is to have as high a multiplier effect with such an undertaking as possible by doing business with institutions that have a good track record in innovation in education, who are committed to utilizing all of the talent of the available faculty members to produce materials, to edit, and finally to bring out the best contemporary materials they can, both text and audio visual, for use in community colleges and secondary schools.

Mr. Flood. Thank you.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

Educational Activities Overseas
(Special Foreign Currency Program)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Office of Education, as authorized by law, [$1,000,000,] *$2,000,000*, to remain available until expended: *Provided*, That this appropriation shall be available, in addition to other appropriations to such office, for payments in the foregoing currencies.

For "Educational activities overseas, (special foreign currency program)" for the period July 1, 1976, through September 30, 1976, $200,000, to remain available until expended.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Educational Activities Overseas
(Special Foreign Currency Program)

Amounts Available for Obligation

	1975 Revised	1976
Appropriation	$1,000,000	$2,000,000
Unobligated balance, start of year	417,494	---
Total, obligations	1,417,494	2,000,000

Summary of Changes

1975 Estimated obligations	1,417,494
1976 Estimated obligations	2,000,000
Net change	+ 582,506

Increases:

Program:

1. Grants to American institutions	1,417,494	+ 582,506
Total, net change		+ 582,506

Explanation of Changes

Decreases:

Program:

1. Grants to American Institutions:

The budget request of $2,000,000 for fiscal year 1976 is an increase of $1,000,000 above the amount which was appropriated in fiscal year 1975, and an increase of $582,506 above the 1975 obligational authority. In fiscal year 1975 the amount available for obligations includes $417,494 in unobligated carryover from fiscal year 1974.

Obligations by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
	Grants to American institutions (Total obligations)............	$1,417,494	$1,417,494	$2,000,000	$+582,506

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Travel and transportation of persons....................	$ 8,000	$ 8,000	$ 10,000	$+ 2,000
Other services...............	80,000	80,000	82,000	+ 2,000
Grants, subsidies and contributions..............	1,329,494	1,329,494	1,908,000	+578,506
Total obligations by object................	$1,417,494	$1,417,494	$2,000,000	$+582,506

Authorizing Legislation

Legislation	1976 Authorized	1976 Appropriation request
Mutual Educational and Cultural Exchange Act of 1961 (P.L. 87-256; Sections 102(b)(6) and 105(d)...............................	Indefinite	$ 2,000,000
Agricultural Trade Development and Assistance Act of 1954; Section 104, (b)(2) and (3), Special Foreign Currency.................................	Indefinite	

Educational Activities Overseas
(Special Foreign Currency Program)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966	$1,000,000	$1,000,000	$1,000,000	$1,000,000
1967	1,800,000	1,800,000	1,000,000	1,000,000
1968	7,400,000	4,600,000	---	---
1969	4,000,000	1,000,000	1,000,000	1,000,000
1970	1,000,000	1,000,000	1,000,000	1,000,000
1971	3,000,000	3,000,000	3,000,000	3,000,000
1972	3,000,000	3,000,000	4,000,000	3,000,000
1973	5,000,000	3,000,000	3,000,000	3,000,000
1974	3,000,000	2,000,000	1,000,000	1,000,000
1975	1,000,000	1,000,000	1,000,000	1,000,000
1976	2,000,000			

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	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Educational Activities Overseas:				
(Special foreign currency program)				
Appropriation	$1,000,000	$1,000,000	$2,000,000	+1,000,000
Obligations	1,417,494	1,417,494	2,000,000	+ 582,506
New Awards	51	51	69	+ 18

General Statement

U.S.-owned excess foreign currency is used to strengthen American education through research and training abroad sponsored by American institutions. Projects focus on foreign languages, area studies, world affairs, and intercultural understanding and are designed to expand and improve the professional competence of American educators, to produce new knowledge through research, and to develop improved curricula and instructional materials for all levels of American education.

Narrative

Program Purpose

The objective of this program is to use the foreign currencies, which are declared by Treasury to be in excess of U.S. Government operational needs, to help develop American capabilities in international and intercultural education through selected research and training activities abroad. Funds are currently available in Egypt, India, Pakistan, Poland and Tunisia.

Discretionary grants are made to U.S. institutions of higher education, individual researchers, State and local education agencies, and non-profit educational organizations.

Sections 102(b)(6) and 105(d) of the Mutual Educational and Cultural Exchange Act (Fulbright-Hays, P.L. 87-256) and Sections 104(b)(2) and (3) of the Agricultural Trade Development and Assistance Act (P.L. 83-480) authorize the use of funds acquired from the sale of surplus agricultural commodities abroad, loan repayments, and other sources for educational purposes.

Plans for Fiscal Year 1976

A total of $2,000,000 in available foreign currencies is requested for fiscal year 1976 to fund a total of 69 individual and group projects for 766 participants. A significant number of the group projects will be geared toward assisting States to retrain teachers to meet new curriculum requirements in world cultures. Program management will stress curriculum development because of its inherent multiplier effect and will seek maximum effectiveness through encouragement of cooperative arrangements with colleges and universities, school systems, professional associations, and non-profit educational organizations. Continuing attention will be given to cost-sharing arrangements.

Specific program plans include the following:

1. Group Training and Curriculum Development--Approximately 29 awards will will help provide first-hand study and relevant educational experience in another culture as well as preparation of curriculum guides and teaching materials for improving instruction of international and intercultural studies in American schools and institutions of higher education. Group Projects will be carried out in academic year 1976-77 (beginning with summer 1976) and the 580 participants will include educators, administrators, and advanced students specializing in foreign language and area studies.

2. Advanced Language Training--Five projects will provide advanced-level language instruction and cultural orientation in special summer and year-long intensive programs in selected non-Western languages, such as Polish, Arabic, and Hindi-Urdu, for teachers and prospective teachers of foreign languages and area studies.

3. Research and Studies--Approximately 30 fellowships will be awarded for the production of new knowledge by key faculty members and by doctoral candidates engaged in dissertation research. Three research contracts will be awarded for linguistic studies or preparation of foreign language textbooks, and two contracts for the compilation of research reference materials (including bibliographies and translation of selected foreign publications on education).

Accomplishments for Fiscal Year 1974-75

In fiscal year 1974, a total of $2,266,321 was obligated, providing assistance to approximately 859 individuals participating in 79 projects conducted in India, Poland, Yugoslavia, Arab Republic of Egypt, and Pakistan during summer 1974 and academic year 1974-75.

Funds in the amount of $1,433,341 helped support 33 group projects abroad for training and curriculum development involving 665 advanced students and faculty members for all levels of the American educational spectrum; $449,147 provided 6 advanced level language training programs for 158 students; $289,475 supported 18 individual faculty and 18 doctoral research fellowships; $84,358 funded two contracts for the preparation of foreign language textbooks; and $10,000 was utilized for bibliographic projects in cooperation with the National Science Foundation.

In fiscal year 1975, an amount of $1,417,494 (which includes $1.0 million in appropriations and the remainder carryover from that fiscal year 1974 appropriation will support 51 projects in foreign languages, area studies, and world affairs. Cost-sharing requirements and cooperative institutional arrangements will maximize program impact and effectiveness. Specifically, assistance will be provided for about 21 group projects for training, curriculum development, and advanced language instruction; 14 faculty research fellowships; 14 doctoral dissertation research; and 2 educational bibliographic projects undertaken in conjunction with the National Science Foundation. Projects will be carried out during summer 1975 and academic year 1975-76.

SUPPLEMENTAL FACT SHEET

Special Foreign Currency Program
FY 1976

II. Estimated Obligations by Program Category

	1974 Actual	1975 Estimate	1976 Estimate
Group Training and Curriculum Development			
Total no. of projects............	33	18	29
No. of participants..............	665	360	580
Average cost per participant.....	$2,155	$2,246	$1,638
Total cost.......................	$1,433,341	$808,494	$950,000
Advanced Language Training			
Total no. of projects............	6	3	5
No. of participants..............	158	90	156
Average cost per participant.....	$2,843	$3,333	$3,200
Total cost.......................	$449,147	$300,000	$500,000
Research and Studies			
Doctoral Dissertation Research Abroad			
No. of projects..................	18	14	10
Average costs....................	$6,471	$7,000	$8,000
Total cost.......................	$116,480	$98,000	$80,000
Faculty Research Abroad			
No. of projects..................	18	14	20
Average cost.....................	$9,610	$11,000	$15,000
Total cost.......................	$172,995	$151,000	$300,000
Language and Area Research			
No. of projects..................	2		3
Average cost.....................	$42,179		$50,000
Total cost.......................	$84,358		$150,000
Comparative Education			
No. of projects..................	2	2	2
Average cost.....................	$5,000	$30,000	$5,000
Total cost.......................	$10,000	$60,000	$10,000

OFFICE OF EDUCATION

Educational activities overseas
(Special foreign currency program)

Program Purpose and Accomplishments

Activity: Grants to American institutions

	1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
Appropriation	$1,000,000	$1,000,000	Indefinite	$2,000,000
Obligations	(1,417,494)	(1,417,494)		(2,000,000)

Purpose: U. S.-owned excess foreign currency is used to strengthen American education through research and training abroad sponsored by American institutions. Projects focus on foreign languages, area studies, world affairs, and intercultural understanding and are designed to expand and improve the professional competnece of American educators, to produce new knowledge through research, and to develop improved curricula and instructional materials for all levels of American education.

Explanation: Applications are received from U.S. institutions of higher education, individual researchers, State education agencies, public school systems and non-profit education agencies. With the advice of outside consultants, the programs staff reviews projects and recommends approval to the Director of the Division of International Education. The recommended projects are forwarded to appropriate U.S. diplomatic missions and binational commissions for comment on feasibility and host country concurrence. A final review of all programs conducted under the Fulbright-Hays Act is made by the Board of Foreign Scholarships, an autonomous body appointed by the President which provides general supervision for all programs carried out under the aegis of the Act.

Accomplishments in 1975: The program will include a total of 51 projects with an estimated 478 participants. This includes 21 group projects, 14 faculty research fellowships, 14 fellowships for doctoral dissertation research, and 2 educational bibliographic projects.

Objectives for 1976: The estimate for 1976 provides for a total of 69 projects with an estimated 766 participants. This includes 34 group projects, 30 fellowships for faculty and doctoral dissertation field research, 3 research contracts and 2 educational bibliographic projects.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Educational Activities Overseas
(Special Foreign Currency Program)

Amounts Available for Obligation

	1976 Estimate	July 1 - Sept. 30, 1976 Estimate
Appropriation	$2,000,000	$200,000

Obligations by Activity

	1976 Estimate	July 1, - Sept. 30, 1976 Estimate
Grants to American institution	$2,000,000	$200,000

Obligations by Object

	1976 Estimate	July 1, - Sept. 30, 1976 Estimate
Travel and transpostation of persons	$ 10,000	$ 5,000
Other services	82,000	75,000
Grants, subsidies and contributions	1,908,000	120,000

Educational Activities Overseas

Special Foreign Currency Program

Interum Budget

Justification

A total of $200,000 in excess foreign currencies is requested for the period July 1 - September 30, 1976. These funds will be used to support the following activities: two education seminars for elementary and secondary school teachers, one each in India and Pakistan, at a total cost of $120,000; $15,000 will be used to reimburse the Department of State for professional services rendered to Office of Education grantees abroad; $60,000 will be made available to the National Science Foundation to continue activities involving the compilation of research reference materials (including bibliographies and translations of selected foreign publications on education); and $5,000 will be used to pay travel costs and expenses for U.S. Office of Education officials performing on-site evaluations of grant projects in excess foreign currency countries.

FRIDAY, MARCH 14, 1975.

STUDENT LOAN INSURANCE FUND

WITNESSES

EDWARD T. YORK, DEPUTY COMMISSIONER FOR MANAGEMENT

DR. TERRELL H. BELL, COMMISSIONER OF EDUCATION

KENNETH A. KOHL, ASSOCIATE COMMISSIONER, OFFICE OF GUARANTEED LOANS

EDWIN PARKER, DIRECTOR, DIVISION OF PROGRAM SYSTEMS, OFFICE OF GUARANTEED STUDENT LOANS

CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. We will now take up the student loan insurance fund. The witness is Edward T. York, Jr., the Deputy Commissioner for Management. We have your biographical sketch, Mr. York, and we will insert it in the record at this point.

[The biographical sketch follows:]

Name: Edward T. York, Jr.

Position: Depty Commissioner for Management.

Birthplace and date: May 2, 1930, Chicago, Ill.

Education: Benjamin Franklin University, B.C.S.

Experience, present: Deputy Commissioner for Management. 1972–73: Deputy Administrator, Office of Price Monitoring Cost of Living Council, 1971–72: Deputy Director, Office of Program Operations Price Commission. 1968–71: Chief, Program Review and Resources Management, Goddard Space Flight Center, NASA. 1963–68: Chief, Industrial Cost Analysis Office Assistant Chief, Procurement Division Chief, Program Support Division. 1957–63: General Accounting Office 1955–57: Morton F. Swift & Co., CPA's.

Mr. FLOOD. You may proceed, Mr. York.

GENERAL STATEMENT

SUMMARY

Mr. YORK. Mr. Chairman and members of the subcommittee, I am pleased to appear before this committee to request an appropriation of $201.8 million for the student loan insurance fund for fiscal year 1976, an increase of $4,187,000 over the fiscal year 1975 revised request of $197,600,000.

The guaranteed student loan program is one of the Office of Education's major student aid programs. It supports the goal of equalizing educational opportunity by helping students overcome financial barriers to a postsecondary education. Like the basic opportunity grant program, this loan program affords students the freedom to select the school of their choice and course of study they prefer. The higher education appropriation includes our request for interest subsidies, special allowances, and death and disability payments related to the loan program. Requirements for staffing and computer services are included in the salaries and expenses appropriation. The student loan insurance fund represents that part of the cost of the guaranteed student loan program which requires payments in connection with loan defaults.

The fund was authorized to enable the Commissioner of Education to pay claims for defaults on federally insured and federally reinsured student loans out of insurance premiums, collections on defaulted loans, and other receipts, as well as from funds appropriated for the purpose.

The requested $201.8 million, together with an estimated $34.7 million in other receipts, will be needed to cover obligations amounting to an estimated $236.4 million. Claims for 146,000 loans insured directly by the Federal Government account for $146.6 million, while 90,000 claims by guarantee agenices against the reinsurance program account for the other $90 million. Loans outstanding at the end of 1976 are expected to amount to an estimated $6.1 billion. The program involves 19,000 lenders and 8,700 schools. More than 8 million loans will have been made by the end of 1976.

The expansion of collection efforts in the regional offices with increases in staff planned for 1976 will result in an increase in collections on defaulted loans in the Federal insurance program. It is estimated that $17.1 million will be collected in fiscal year 1976 compared to an estimated $7 million in 1975.

The guarantee agencies are expected to collect $13.8 million under the Federal reinsurance program.

We are also moving ahead in our overall objective of strengthening the administration and management of the program and of reducing the default rate. As a part of our effort to improve management of the program, we have consolidated all related aspects of the guaranteed student loan program under a single project manager who reports directly to the Deputy Commissioner for Management, and have reorganized the management structure of the program on functional lines.

Concurrently with improving operational procedures, expanding resources, and full utilization of the budget estimation model, we are also augmenting our program of on-site review and examination of lenders, schools, and State agencies to assure that proper administrative and fiscal practices are being followed in making, servicing and collecting loans. New and revised regulations were published on February 20, 1975, designed to more adequately protect student borrowers by requiring that educational institutions provide prospective students with descriptive information, establish equitable refund policies and comply with other provisions which will improve the administration of the program and reduce defaults. These regulations also establish procedures providing for the suspension, limitation and termination of both schools and certain lenders that violate the provisions of the regulations. These latter efforts should contribute significantly over the long run to reducing the level of defaults.

In addition, the Secretary of Health, Education, and Welfare transmitted to the Speaker of the House of Representatives on February 27 1975, legislative proposals to further reduce defaults. Three important features of this proposal are; (1) an incentive offered to lenders to encourage the multiple disbursements of loans over the course of a school year; (2) provision to eliminate proprietary schools as eligible lenders; and (3) an amendment to the Bankruptcy Act to make student loans nondischargeable in bankruptcy during the 5-year period after the first installment thereon becomes due.

I shall be pleased to answer any questions the committee may wish to ask.

ACCURACY OF ESTIMATES

Mr. Flood. You were here recently to testify in the supplemental budget request for fiscal 1975 to take care of loan defaults.

Can you give us some assurance that you would not be back next year with a 1976 supplemental appropriation?

Mr. Bell. No, sir, I am not sure we would not, particularly with the economy changing like it is and the lack of employment and the heavy unemployment for youth. It might well be that we will be back. I cannot be sure.

Mr. Flood. Is your computer capable of predicting future default claims?

Mr. Bell. Its track record has not been good. I have wormy feelings about it.

Mr. York. There has been a significant change since last year in our ability to deal with prediction of defaults. If you recall for a couple of years we have been talking to you about a loan estimation model we had in preparation.

As of October last year we finally got that to its operational state. In terms of dealing with claims the operation of that model is, we think, pretty good. It is certainly much better than anything we have had before. It is based on 8 years of data across eight different categories or types of schools.

We think that although there certainly could be, as Dr. Bell indicates, some major perturbations that cannot be put into that model at this point in time.

Mr. Bell. My fear is that the current recession is not going to take into account, and we have not had experience with a recession this deep. That is why I was responding the way I was.

DEFAULT RATES

Mr. Flood. What was your default rate last year?

Mr. York. In 1975 it was 18 percent in the Federal program. When I say default rate, I am really saying that is the percentage of claims filed. That is not the loss rate to the Government.

Mr. Flood. What was the last year?

Mr. York. In 1974 it was 14.4 percent.

Mr. Flood. What will it be next year?

Mr. York. We are predicting 19 percent for the federally insured program, just a 1-percent increase in the default rate.

Mr. Flood. Suppose you supply for the record the default rate for fiscal 1974, 1975, 1976, and show us how you calculate that.

[The information follows:]

Insert 1793A

Default Rates and
Method of Calculation
(Dollars in Millions)

Estimated Rates

Estimated rates for the periods ending June 30, 1974, June 30, 1975, and June 30, 1976 are as follows:

	As of 6/30/74	As of 6/30/75	As of 6/30/76
Cumulative disbursed loans			
Federally insured...............	2,666	3,309	4,065
Guarantee agencies..............	3,759	4,384	5,120
Combined Total..................	6,425	7,693	9,185
Cumulative Matured loans			
Federally insured...............	952	1,481	2,147
Guarantee agencies..............	2,179	2,571	2,964
Combined Total..................	3,131	4,052	5,111
Percent of disbursed loans matured			
Federally insured...............	(36%)	(45%)	(53%)
Guarantee agencies..............	(58%)	(59%)	(58%)
Combined total percent..........	49%	53%	55%
Cumulative defaults			
Federally insured...............	137.0	266.7	408.1
Guarantee agencies..............	110.8	191.5	312.4
Combined Total..................	247.8	458.2	720.5
Estimated default rates			
Federally insured...............	(14.4%)	(18.0%)	(19.0%)
Guarantee agencies..............	(5.0%)	(7.4%)	(10.5%)
Combined default rates..........	7.9%	11.3%	14.1%

Method of Calculation

The Office of Education uses estimated matured paper (defined as the cumulative dollar amount of all loans disbursed except those currently in the in-school/grace period) for the computation of default ratios. The default ratio is expressed as the cumulative dollar amount of all default claims received by the Federal Government and the various State agencies from lenders as a percentage of the dollar amount of estimated matured paper.

Mr. Flood. What rate are you projecting for future years?

Mr. York. I think the projections go up to an eventual 21.5 percent in 1977 or 1978.

Mr. Flood. What is the highest rate tolerable?

Mr. York. I guess I do not really know how to answer that one, Mr. Chairman, in terms of the claims filed, the percentage of claims filed is to a large degree outside our control, what we can control to a more significant degree is the loss rate to the Government which has to do with how many of those claims we can convert to repayment status and back where we are recovering some of those funds. For the first time in 1976, with the significant increase in resources which you gentlemen were kind enough to help us get last year and with the slight increase in 1976, we believe we can turn the loss rate from 12.3 and we are predicting an 11.6 actual loss rate.

BANKRUPTCY

Mr. Flood. How many of these loans have been uncollectible because of bankruptcy?

Mr. York. The absolute numbers of loans that have defaulted as a result of bankruptcy have increased.

Mr. Flood. Is it getting better or worse?

Mr. York. In terms of percentage of overall claims, the percent is going down, from 3.7 in 1972 to 3.6 in 1973, 3.3 in 1974, to a 3.2 level in 1975, so the percentage in terms of claims is going down. The actual dollars are expected to increase, but the absolute number of loans which are going into bankruptcy are increasing slightly. We think the best way to deal with bankruptcy is through our proposed legislation now before the Congress. One of the provisions would be to eliminate bankruptcy as a defense for the first 5 years after a student's loan goes into repayment.

CLAIMS RETURNED TO LENDERS

Mr. Flood. How many loans were defaulted because the lender failed to exercise due diligence?

Mr. York. That is not a number we have readily available. We have only in the past few months put into effect the kind of reporting system related to our regional office which will produce for us that kind of information. As a general proposition that percentage is quite small. The number of loans returned to lenders are normally returned because of a small failure on the part of a lender to accomplish all the steps which are needed to establish the proper payment of the claim. Most of these are returned to us with the necessary data and are paid.

COLLECTIONS ON DEFAULTED LOANS

Mr. Flood. What has been your past experience in collecting defaulted loans?

Mr. York. During the early part of the program, from 1968 to 1972, only about $800,000 was collected with a very small collection effort. There have been significant increases since then. In fiscal year 1975, we are estimating that $7 million will be collected under the Federal program.

RESULTS FROM ADDITIONAL COLLECTORS

Mr. FLOOD. What results do you have from these additional collectors approved by Congress last year?

Mr. YORK. A significant increase in the actual dollars collected, Mr. Chairman, through January 31, 1975, just in the Federal program we have collected $4,241,000 against an estimate of $7 million for the total year.

In 1976, with these collectors having been onboard for a considerable period of time, we have just completed a very extensive program for our collectors, we are estimating a further increase of up to $17.1 million in 1976 as a result of having these collectors onboard.

DEFAULT FROM NONDEGREE INSTITUTIONS

Mr. FLOOD. You indicated in your budget that 60 percent of the defaulters are from the non-degree-granting specialized institutions.

Mr. YORK. That is the percentage for all claims paid through fiscal year 1974. In 1973 alone 76.3 percent of the defaults paid were for the same type of school.

Mr. FLOOD. What is being done?

Mr. YORK. We have issued some regulations which will have a significant effect, we believe, in terms of protecting the student. For example, it requires the school to institute a firm and equitable refund policy, and to supply information on its programs and the actual employment of its former students. It requires the schools to assure that the student can benefit from the school's training through the use of admissions test or other accepted measures and finally, it gives us the ability to limit, suspend, or terminate schools or lenders for violations of applicable law or regulations.

Mr. FLOOD. Are these schools screened?

Mr. YORK. That has not been a firm requirement of the program before but it is now. The provision of advising the student about just exactly what program is at the school and the employment history of the students who have graduated from that school.

TRAINING FINANCIAL AID OFFICERS

Mr. FLOOD. Is there a need to better educate the financial aid officers?

Mr. YORK. I guess I would say, yes, that is a problem. It cuts across all the student aid programs. There are within some of the other student aid programs, provision for training student aid officers, that will have an effect on this program also, I believe.

FEDERAL DEFAULTS COMPARED TO STATE AGENCIES

Mr. FLOOD. You indicate the default rate for 1976 will be 19 percent, that is, the Federal insurance program, while the State guaranteed program will be only 10.5 percent. How do you explain that big spread there in the default rate?

Mr. YORK. We are dealing with a different universe of students. As you pointed out, we are dealing with the State guarantee program which has a heavy student borrower population from 4-year colleges and universities. There is considerable difference in income levels in the Federal program as opposed to the State program. I think those have a significant impact.

Mr. **Bell.** I think we should indicate, Mr. Chairman, we do have some Federal lenders in States that have the guarantee program. If their statute will not permit a loan to certain private proprietary schools, the law requires us to offer that. So we are taking more of the high risk clientele in these States. We do not want to admit that, but there is a possibility that some State guarantee programs are better managers than we are. I think we would say we are loaning to a broader clientele and I think more of the low-income clientele.

INCREASE IN RECEIPTS

Mr. **Flood.** You estimate a very large increase in receipts from the accrued interest and the loan repayments.

Mr. **York.** Yes.

Mr. **Flood.** Based on past experience, is that not pretty optimistic? How do you arrive at that?

Mr. **York.** The loan repayment portion, is it optimistic. It is based on some fairly decent statistics as to what an individual collector can be expected to do, how many accounts that individual collector can be expected to deal with over the course of a year, the number of accounts in repayment status and based on the number of receipts based on a repayment status.

This is the first year we have had a substantial number of people in this collection program. In June of 1974, we added to the staff to bring us to a total of 135 people in the collections effort. In February of 1974, there were only 26 people doing that same thing. So, to a major degree, the increase in receipts is a function of having people out there actually pursuing these claims, these defaulted loans and our experience would say, from this past year, we do not think that estimate is terribly optimistic. We think we can do a substantial job of getting many of these loans back into repayment status which we have not previously even had the ability to contact.

Mr. **Bell.** I should say, Mr. Chairman, this estimate does not take into account the present economic status which has come upon us. I think we just need to emphasize that considerably.

EFFECTS FROM REGULATIONS AND LEGISLATION

Mr. **Flood.** Your budget indicates the anticipated effects from regulations and legislation along with better management techniques will improve this default rate for the interim period. Will you explain how you justify that statement?

Mr. **York.** The regulations give us the ability to deal, as I indicated, with schools and lenders, to limit, suspend, or terminate those not performing adequately under the program. In our proposed legislation, as I am sure you are aware, we are proposing to eliminate proprietary schools as lenders. This is an area, our statistics will show where we have had a high level of delinquencies and defaults. Commercial lenders have a very excellent record in this program. The number of efforts we are making and have made in the management of the program, in addition to those regulations and the proposed legislation, is a new training program that we are putting into effect for collectors so they can do a professional collections job, increased reviews of the lenders themselves, with particular emphasis on those lenders where we have had problems in the past. Then in the State guarantee programs, we want to be able to go in and do a yearly-in-depth review of the State program.

Where the HEW Audit Agency made an audit of schools and indicated that some corrections need to be made, we intend to follow up with regional personnel and see that those corrections are made.

EFFECTS OF THE ECONOMY ON DEFAULTS

Mr. **Bell**. My worry, Mr. Chairman, is after striving to improve the program and implying in our testimony that we will improve, that the default rate will go down, that we may well come before you with a supplemental, then this committee will remind us of this testimony at that time. I am hopeful and want to do all I can, but I am fearful as to what will happen with this unemployment and economy. And I just want to temper Mr. York's testimony in this regard.

Mr. **York**. In addition to the economic situation, as Dr. Bell suggests, there are other things which can happen which will create problems.

Mr. **Bell**. We are in the business of lending money to poor people and it is risky.

Mr. **Flood**. Mr. Michel.

DEFAULTS AMONG VOCATIONAL SCHOOL STUDENTS

Mr. **Michel**. How would you explain the default rate for vocational school students, in comparison with college and university students?

Mr. **York**. I would attribute that to the economic conditions, schools and alternative to work. The place they seem to migrate to most are these nondegree-granting technical schools.

Mr. **Bell**. I would say, Mr. Michel, that it is "a good deal" for a private proprietary school. Many of them are their own lenders. Correspondent schools can participate in this program. Congress made it a very liberal and in my opinion, possibly too liberal. It is a way for schools in education to make a profit.

Mr. **York**. I think, Mr. Michel, as Dr. Bell pointed out earlier, although there are State programs in 26 States, those programs do not always cover the non-degree-granting institutions. In almost every State we are insuring loans because there are no access to the guarantee agencies program for students going to these institutions.

Mr. **Bell**. We have to do it if the lender does not. That is why our default rate looks so bad.

Mr. **Michel**. In the past we have run into problems with fly-by-night schools and veterans have been suckered into the thing. As I recall, we did at least require the school had to have a 2-year record of some kind before being certified for loans for veterans.

Mr. **York**. There is a requirement for the schools to be accredited within the Office of Education system. They also have a temporary accreditation for them to participate in the program.

SCHOOLS BECOMING DEFUNCT

Mr. MICHEL. Are there any figures which would indicate some of these schools becoming defunct or going under?

Mr. YORK. Yes. There are a number of schools of that kind.

Mr. MICHEL. Is it significant?

Mr. YORK. In terms of the total number of schools and universities, no. But there are a number of schools in this category of non-degree-granting institutions which have gone under.

Mr. MICHEL. Have you any figures at all, which would indicate how many of your loans would be involved?

Mr. YORK. Not in absolute terms. The biggest single situation we have is one where we, in fact, are attempting to determine actually the number of loans. We have entered into a contract with a certified public accounting firm, to work with a particular school on the west coast, to specifically identify how many loans are there, how many would be valid claims. When a school goes under, there always seems to be some question as to whether or not all those loans were valid loans. It takes a long period of time and a lot of help from our general counsel to determine these claims.

COLLECTIONS FROM VOCATIONAL STUDENTS

Mr. MICHEL. Mr. York, are vocational students tougher to collect from than those attending a normal regular college?

Mr. YORK. I do not think we have enough experience to be able to make a statement as to whether they are or not.

Mr. BELL. Their default rates are much higher.

Mr. YORK. We find reasons stated more frequently for those, unhappiness with the education they receive, the inability after completing a course, to be able to get a job in that career field, thinks like that.

Mr. BELL. The FTC has just promulgated new rules to regulate the proprietary schools.

NEW REGULATIONS REDUCING DEFAULT

Mr. MICHEL. Will your new regulations be of assistance on reducing defaults?

Mr. BELL. Yes. The ability to limit, suspend, or terminate a school until they improve their practices should be effective.

Mr. MICHEL. What is the normal length of time that a lender has to collect on a loan before it is turned over to the Government?

Mr. BELL. There is no time limit but we are looking at this in conjunction with our general counsel. We do have language in the legislation which talks about in a reasonable time, filing promptly. We are trying to work with our counsel as to what is a prompt filing.

Mr. MICHEL. What percentage of loans is normally collected by the lender?

Mr. BELL. About 82 percent.

PROCEDURES FOR COLLECTING DEFAULTS

Mr. MICHEL. How long does the Government seek to collect on a loan before it classifies it as uncollectible?

Mr. **Bell**. There is no specific timeframe. It relates to pursuing our efforts to the degree and until that point where we can conclude we are unable to collect on a loan. At that point we turn it over to the General Accounting Office and hopefully, one of these days they will turn a few cases over to the Department of Justice for litigation. At this time we have submitted about 200 cases to GAO as uncollectible and not one has been referred to the Department of Justice.

Mr. **Michel**. What is the scuttlebut?

Mr. **Bell**. We are unable to determine from GAO as to when they will refer these to the Department of Justice.

Mr. **Michel**. In what amount?

Mr. **Bell**. The average loan, the current claim value is about $1,000. I would say that the amount is a part of the problem. The Department of Justice does not want to follow with such a small amount.

REINSURANCE VERSUS DIRECT INSURANCE

Mr. **Michel**. How do you account for the increase of $30 million, 50 percent in funding for default programs under the reinsurance compared to $12 million at 9 percent under the direct insurance program.

Mr. **Kohl**. It is based on different populations served. Higher education continues for much longer than private vocational schools. They would be out of payment status in 2 years where higher education might continue for 5 or more years.

Mr. **Flood**. Mr. Roybal.

PROPOSED RULE FOR CAMPUS-BASED PROGRAMS

Mr. **Roybal**. I have been informed by your office that a proposed rule dealing wtih a need analysis system for the purpose of determining eligibility disrupts the process of final aid application so awards this year will be delayed. What does that mean?

Mr. **Bell**. This is not related to guaranteed school loans, it is related to the campus based programs. But this rule is to give the Commissioner better control and management of the need analysis system. There are two private organizations now which make this need analysis. They make nearly all the need analysis—about 90 percent of it. There was a large change in the need analysis system made without prior consultation to us. We felt we needed to control this. And so, we have promulgated a regulation to control it. We have had oversight hearings before Mr. O'Hara's committee. We have had public hearings on the proposed rule, there has been a considerable amount of controversy surrounding it. We do not believe it is going to delay the program at all. We think it is going to cause some administrative inconvenience and we are concerned about that, but we feel that notwithstanding we need to do it.

One of the concerns I have, Mr. Roybal, is if we leave these need analysis systems free to escalate the need analysis, it will in effect shift the money away from the low-income students and our commitment is to try to concentrate this money on the poor. I would say the institutions and those associations which make the need analysis strongly deny this, and they have told us, notwithstanding the changes made in the need analysis, they will continue to target the money on the low income first but we feel we need the regulation there to insure that. Under this regulation they will have to operate under guidelines and we will have surveillance and authority over their system.

INCREASE IN EDUCATION COST

Mr. **Roybal**. Will it in any way increase the amount parents are expected to pay for the child's education?

Mr. **Bell**. If we did not do this, it would shift the formula considerably.

Mr. **Roybal**. By what, almost 50 to 60 percent?

Mr. **Bell**. I was going to say half, maybe 50 to 40 percent difference. Our whole intent here is to keep the money targeted where we think the Congress intended and that is on our low-income, poor, disadvantaged students.

Mr. **Roybal**. That is, of course, where the money should be placed so that those in the lower income brackets or families with low income would be able to get an education. If that is not made available the program is meaningless.

Mr. **Bell**. Right, and given the scarce resources we have we feel we particularly need the target there.

PROBLEMS WITH SCHOOLS CLOSING

Mr. **Roybal**. Some reference was made to schools in California. What schools are they? I do not mean to get the names of the schools, I would like to know whether or not there has been a pattern established by some schools in California that were started by certain individuals, who then sold them, and the school subsequently failed. Is this more or less a pattern which has been established over the period of years?

Mr. **York**. I would not want to say it is a pattern related to the State of California. I think the number of school closings which we have seen of the private proprietary schools, tend to follow that kind of pattern, but it is certainly not isolated to any particular State or geographical area.

Mr. **Roybal**. Do you have evidence to the effect this is part of a business venture on the part of individuals who start the business and sell it as other businesses are sold?

Mr. **Bell**. I think as a general proposition the people who have started these schools have clearly intended them to be viable institutions, then at a point in time, reached a financial level where it was no longer economical for them to continue to run this school.

Mr. **Roybal**. Are you telling the committee then, that it is your opinion that the original intent was to actually provide an educational facility?

Mr. **Bell**. Absolutely.

Mr. **Roybal**. It was not speculation?

Mr. **Bell**. Absolutely.

Mr. **Roybal**. So, it is possible then that the intent of these various schools was to provide a service, it did not become profitable so it was sold to a second or third person and it was not successful and, therefore, went into bankruptcy?

Mr. **Bell**. That is true.

Mr. **Roybal**. What were you referring to where somebody got up and walked off with the money?

Mr. **Bell**. We were off the record at that time but I did indicate off the record, the person did close the doors and walked off with a suitcase of money.

Mr. **Roybal**. I am saddened to hear of persons who would do this.

Mr. **Bell**. We are trying very hard to address this in our new legislation. There have been many instances where the money from the program has been used to finance the schools rather than the education of the students, particularly where the school is the lender, turn that paper around, sell the paper to a commercial lender, convert it into a cash flow to keep the school going, building up a rather sizable amount of economic value.

MUTIPLE LOAN DISBURSEMENTS

Mr. **Roybal**. Is the student's education financed in one lump sum?

Mr. **Bell**. Depending on the course being taken. If for a number of years, it would be over a year-by-year basis. But with proprietary schools or correspondence schools, it is gradual payment. We are trying to encourage lenders to make multiple disbursements. For example, if you are dealing with a 3-part term, to disburse $500 at the beginning and $500 later, to make sure the funds are available to pay back the loan if the student dropped out.

Mr. **Roybal**. Such an arrangement would also discourage speculating.

Mr. **Bell**. Yes, it would.

Another thing we have done in our proposed legislation is to prohibit proprietary schools from being a lender as well as operating as a school. We think this will give us better control than we have now. We think this will be another improvement in the program.

STATUS OF PROPOSED LEGISLATION

Mr. **Roybal**. May I ask where that proposed legislation is at the moment?

Mr. **Bell**. We have given testimony on this. It has been introduced and the authorizing committees in both the House and Senate, we have given testimony on that.

Mr. **Roybal**. Which committee is handling the legislation in the House?

Mr. **Bell**. Select Subcommittee on Higher Education. Congressman O'Hara is chairman of that committee.

Mr. **Roybal**. I am very much interested in this and I would like to follow this up.

Mr. **Bell**. Thank you, Mr. Chairman.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

STUDENT LOAN INSURANCE FUND

For the Student Loan Insurance Fund authorized by the Higher Education Act of 1965, [$115,000,000[$201,787,000, to remain available until expended.

For the "Student loan insurance fund" for the period July 1, 1976 through September 30, 1976, $30,000,000, to remain available until expended.[1/]

[1/] To pay default payments from the Student Loan Insurance Fund during the transition period between fiscal year 1976, which ends June 30, 1976, and fiscal year 1977, which begins October 1, 1976.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Student Loan Insurance Fund

Amounts Available for Obligation

	1975 Revised	1976
Appropriation	$115,000,000	$201,787,000
Proposed supplemental	82,600,000	---
Subtotal, adjusted appropriation	197,600,000	201,787,000
Receipts and carryover balance:		
Insurance premium	3,000,000	3,200,000
Accrued interest income	6,500,000	11,800,000
Loans repaid	13,100,000	30,900,000
Unobligated balance, start of year	7,429,000	14,506,000
Unobligated balance, end of year	-14,506,000	-25,756,000
Subtotal, receipts and carryover balances	15,523,000	34,650,000
Replacement of 1974 borrowing authority	-19,031,000	---
Total, obligations	$194,092,200	$236,437,000

Summary of Changes

1975 estimated obligations	$134,000,000
Add Proposed supplemental	82,600,000
Less: Portion of supplemental required to replace 1974 borrowing authority	-19,031,000
Portion of supplemental to replace decrease in receipts	-3,477,000
Subtotal, 1975 revised obligations	$194,092,000
1976 estimated obligations	236,437,000
Net change in funding level	$ 42,345,000

Explanation of Changes

Obligations for payments in connection with defaults are expected to total $236,437,000 in fiscal year 1976, an increase of $42,345,000 above the revised 1975 level of $194,092,000. This $236,437,000 in defaults would be supported by income and receipts into the fund of $34,650,000 and an appropriation of $201,787,000.

On an appropriation basis, the 1976 request of $201,787,000 represents an increase of $4,187,000 over the revised 1975 level of $197,600,000. The $197,600,000 appropriation level consists of $115,000,000 enacted in the regular 1975 appropriation bill and a proposed supplemental request of $82,600,000.

On a funding level basis, the 1976 appropriations request represents an actual increase of $23,218,000 over the required appropriation requested to pay 1975 claims. This is because the 1975 revised appropriation request of $197,600,000 included $19,031,000 to replace 1974 borrowing authority leaving a balance of $178,569,000 for 1975 claims. Thus, the 1976 request represents an increase of $23,218,000 over the $178,569,000 required for 1975 claims.

Budget Authority by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
366	Federal Insurance Program..	$67,350,000	$143,750,000	$125,837,000	$-17,913,000
371	Federal Reinsurance Program....................	47,650,000	53,850,000	75,950,000	+22,100,000
	Appropriation...........	$115,000,000	$197,600,000	$201,787,000	$+ 4,187,00-

Obligation by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
	Payment in connection with defaults on student loans:				
366	(a) Federal Insurance Program.............	$80,000,000	$134,092,000	$146,437,000	$+12,345,000
371	(b) Federal Reinsurance Program.............	54,000,000	60,000,000	90,000,000	+30,000,000
	Total obligations..........	$134,000,000	$194,092,000	$236,437,000	$+42,345,000

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Investments and loans......	$129,510,000	$187,773,000	$228,437,000	$+40,664,000
Insurance claims and indemnities...............	4,490,000	5,927,000	8,000,000	+2,073,000
Interest and dividends.....	---	392,000	---	-392,000
Total obligations by object..................	$134,000,000	$194,092,000	$236,437,000	$+42,345,000

Authorizing Legislation

Legislation:	1976 Authorized	1976 Appropriation requested
Higher Education Act:		
Title IV-B, Sections 421 and 428-431--Student Loan Insurance Fund..	Indefinite	$201,787,000

Student Loan Insurance Fund

Year		Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966		$ 550,000	$ 550,000	$ 550,000	$ 550,000
1967		3,200,000	3,200,000	3,200,000	3,200,000
1968		---	---	---	---
1969		---	---	---	---
1970		10,826,000	10,826,000	10,826,000	10,826,000
1971		18,000,000	18,000,000	18,000,000	18,000,000
1972		12,765,000	12,765,000	12,765,000	12,765,000
1973		46,640,000	46,640,000	46,640,000	46,640,000
1974		88,668,000	88,668,000	88,668,000	88,668,000
1975		115,000,000	115,000,000	115,000,000	115,000,000
1975	proposed supplemental	82,600,000			
1976		201,787,000			

Student Loan Insurance Fund

Justification

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease	
Federal Insurance Program:					
Obligations.............	$80,000,000	$134,092,000	$146,437,000	+$12,345,000	
Replacement of 1974 Borrowing Authority....	--------	19,031,000	---------	- 19,031,000	
Available Receipts and Carryover..........	-12,650,000	- 9,373,000	- 20,600,000	- 11,227,000	1/
Subtotal, Budget Authority	67,350,000	143,750,000	125,837,000	- 17,913,000	
Federal Reinsurance Program:					
Obligations.............	54,000,000	60,000,000	90,000,000	+ 30,000,000	
Available Receipts and Carryover..............	- 6,350,000	- 6,150,000	-14,050,000	- 7,900,000	1/
Subtotal, Budget Authority	47,650,000	53,850,000	75,950,000	+ 22,100,000	
Total:					
Obligations	134,000,000	194,092,000	236,437,000	+ 42,345,000	
Budget Authority (appropriation)	115,000,000	197,600,000	201,787,000	+ 4,187,000	

1/ Negative amounts represent increases in receipts.

General Statement

To assist in removing financial barriers to postsecondary education, a Student Loan Insurance Fund was established under Title IV of the Higher Education Act of 1965 to provide a program insuring student loans under the Guaranteed Student Loan Program.

An appropriation of $201,787,000 is requested in order to meet increased default payments.

This Fund enables the Commissioner to pay defaults out of insurance premiums, defaulted loan repayments, and other receipts, as well as from amounts appropriated for this purpose. Appropriations are made to cover default payments on both Federally insured and Federally reinsured loans.

The request for Federal interest subsidies, special allowances, and death and disability payments on these loans--the major appropriation item--is presented to the Congress under the appropriation account for Higher Education. Requirements for staffing and computer services are included in the Salaries and Expenses appropriation.

Authority and Purpose

To help students finance their postsecondary education, Title IV, Part B of the Higher Education Act of 1965 (P.L. 89-329), authorizes a program of low interest, deferred repayment loans, utilizing private capital. The law authorizes Federal payments to reduce student interest costs and to pay special allowance to lenders as warranted by money market conditions (provided under the Emergency Insured Student Loan Act of 1969 P.L. 91-95). The program includes loans made by States, loans insured directly by the Federal Government, and loans guaranteed by State and nonprofit private agencies. Most of these latter loans are reinsured up to 80 percent by the Federal Government. The law also establishes a Student Loan Insurance Fund from which defaults are paid and into which appropriations related to defaults and other receipts are deposited.

The Fund enables the Commissioner of Education, without fiscal year limitation, to make payments on unpaid principal amounts defaulted by student borrowers under the Federal Insured Student Loan Program. The liability of the Fund was substantially increased by the Higher Education Amendments of 1968, which authorizes the Commissioner to reinsure loans guaranteed by State and nonprofit private agencies to the extent of 80 percent of the principal amount of default paid by the agencies. The liability of the Fund was further increased by the Education Amendments of 1972 which provides for payment of the unpaid balance of interest as well as principal in the case of defaulted federally insured loans made under the provisions of the Amendments.

Scope of the Program

By the end of fiscal year 1976, it is expected that loan commitments totaling about $10,024,000,000 will have been made to students under this program. It is anticipated that lenders will have disbursed approximately $9,185,000,000 on these commitments by the end of 1976. Of this total, an estimated $1,492,000,000 (16.2 percent) will be disbursed in fiscal year 1976 alone. Estimated matured loans, those that have reached repayment status, will represent 55.6 percent or $5,111,000,000 of all disbursed loans by the end of 1976. Approximately 11.5 percent ($1,059,000,000) of all disbursed loans will mature in 1976. There are over 19,000 lenders and 8,700 educational institutions which are eligible for students to attend under the Guaranteed Student Loan Program.

Borrower characteristics as shown in Table I indicate that the program serves a diverse population. Through fiscal year 1973, 85 percent of the Federal Program (FP) borrowers and 71 percent of the guarantee agency (GA) borrowers came from families with gross incomes below $15,000. For the same period, 60 percent of the FP borrowers and 53 percent of the GS borrowers came from families with gross incomes below $12,000. It is interesting to note that the percentage of borrowers with incomes over $15,000 increased by 9 percent for FP borrowers as compared to 30 percent for GA borrowers for the fiscal years 1968 through 1973.

The proportion of loans to minority students is increasing. The proportion increased for FP borrowers from 4 percent of loans in 1968 to 20 percent of the loans in 1973. For GA borrowers, the proportion increased from slightly over 9 percent of the loans in 1968 to 11 percent of the loans in 1973.

Borrowers attending nondegree granting vocational institutions increased for FP from 8.2 percent in 1968 to 49.3 percent in 1973, an increase of 41.1 percent. For GA borrowers the rate remained steady with 5.3 percent in 1968 and 5.3 percent in 1973. Borrowers attending four year colleges and universities decreased by 33.9 percent for FP borrowers and only 5.7 percent for GA borrowers. Borrowers acquiring their loans in the first academic year increased by 20 percent for FP, as compared with a decrease of 2 percent for GA.

The percentage of loans for female borrowers has increased for the period by 4 percent for FP and by 3 percent for GA borrowers. The number of married borrowers has increased in the FP by 8 percent and decreased in the GA by 4 percent There is a shift in the age direction toward older borrowers in both programs, a 13 percent increase for FP and 3 percent for GA, with a significant reduction of 7 percent for both programs for the age group 17-20.

Program Operations

The principal of the student loan is provided by participating lending institutions such as commercial banks, savings and loan associations, credit unions, insurance companies, pension funds, and eligible educational institutions. Twenty-six State or nonprofit agencies and the District of Columbia administer their own guaranteed loan program. The agencies may contract with the Commissioner of Education, to reinsure 80 percent of the principal amount of the loss incurred by the agency in meeting its obligation to lenders on guaranteed loans in default. No fee is charged for the reinsurance.

The Federally Insured Student Loan Program operates in the remaining States. In addition, the Act authorizes Federal insurance for lenders operating on an interstate basis for students, who by virtue of their residency, do not have access to the State program. Under the Federal Program, the Commissioner will insure the lender 100 percent of the unpaid principal outstanding at the time the loan enters into default. Loans made under the provisions of the Education Amendments of 1972 are insured for 100 percent of the unpaid principal balance plus interest. The insurance premium charged is one quarter of one-percent of the amount disbursed to the lender (who may pass it on to the borrower). The fee is paid for the anticipated in-school and 12 months grace period.

While the student is in school, during the maximum 12-month grace period, and during periods of authorized deferment, the Federal Government pays the total interest up to the maximum 7 percent on loans that qualify for such a subsidy. Through February 28, 1973, students whose adjusted income was less than $15,000 per year qualified for the subsidy. Under the Educational Amendments of 1972 (P.L. 92-318), which were effective for the period March 1, 1973 through June 1, 1974, students applied for Federal interest benefits by submitting to the lender a recommendation by the educational institution as to the amount needed by the student to meet his educational costs.

Since June 2, 1974, any student, whose adjusted family income is less than $15,000 is automatically eligible for a subsidized loan on loans totalling up to $2,000 in any academic year. Such students who wish a subsidized loan in excess of $2,000 or students, having adjusted family incomes of $15,000 or greater and applying for a subsidized loan of any amount, must submit to the lender the school's recommendation for a subsidized loan based upon the school's assessment of the family's ability to pay for the cost of education.

A special allowance is authorized to be paid to lenders when the Secretary of Health, Education, and Welfare, in consultation with the Secretary of the Treasury, and the Director of the Office of Management and Budget, determines that economic conditions are impeding or threatening to impede the fulfillment of the purposes of the program or that the return to the lender is less than equitable. The rate may not exceed three percent per annum on the average quarterly unpaid principal balance of loans made after August 1, 1969, whether or not the loan qualifies for Federal interest benefits.

The Education Amendments of 1972 (P.L. 92-318) increased the maximum loan available to qualified undergraduate and graduate borrowers per academic year from $1,500 to $2,500. The aggregate total of loans outstanding per graduate student was increased from $7,500 to $10,000 including loans made at the undergraduate level.

Applications for student loans may be obtained from lenders, schools, regional offices of the Office of Education or State or private nonprofit guarantee agencies. The school must complete a portion of this application certifying the amount of loan needed by the student and verifying the student's enrollment, his costs and academic standing. If the lender agrees to make the loan, approval must be obtained by the appropriate guarantor.

Any student may apply who has been accepted for enrollment in an eligible school or who is already in attendance and in good standing, and who is a citizen or national of the United States or, except for foreign study, is in the United States for other than a temporary purpose. In most States, half-time students are eligible, but some state agency programs require full-time attendance. Residency requirements also vary in some States.

Other information relevant to this program is shown under the Higher Education appropriation.

Table I: PERCENT DISTRIBUTION OF LOANS BY STUDENT BORROWER CHARACTERISTICS 1/

	Type of Program	Fiscal Year 1968	Fiscal Year 1973	Difference of 1973 over 1968
Gross Family Income 2/				
Over $15,000	FP*	6%	15%	+9%
	GA	0%	30%	+30%
$12,000 and below	FP	84%	63%	-21%
	GA	9%	39%	+30%
Loans to Minority Students	FP	4%	20%	+16%
	GA	9%	11%	+ 2%
Sex				
Male	FP	64%	65%	+ 1%
	GA	63%	57%	- 6%
Female	FP	27%	31%	+ 4%
	GA	37%	40%	+ 3%
Academic Year Acquired				
First Year	FP	24%	44%	+20%
	GA	33%	31%	- 2%
Age of Student				
17-20 years	FP	28%	21%	- 7%
	GA	44%	37%	- 7%
27 years and over	FP	12%	25%	+13%
	GA	6%	9%	+ 3%
Marital Status				
Single	FP	61%	57%	- 4%
	GA	83%	84%	+ 1%
Married	FP	26%	34%	+ 8%
	GA	15%	11%	- 4%
Academic Program 3/				
Specialized & Vocational	FP	8.2%	49.3%	+41.1%
	GA	5.3%	5.3%	0%
College & University	FP	73.2%	39.3%	-33.9%
	GA	84.9%	79.2%	- 5.7%

1/ Percentages were derived from a 20% sample of all student borrowers in the program through March 31, 1973. Percentages shown represent responses to items on the borrower's application for a student loan. In many cases, 100% response was not always received. However, non-response was not considered sufficient to bias the percentages.

2/ The gross family income is the total income of the student's family from all sources.

3/ Percentages were derived from a 3% sample of all student borrowers in the program through February 1974. Percentages shown represent responses to items on the borrower's application for a student loan. In many cases, 100% response was not always received. However, non-response was not considered sufficient to bias the percentages.

* Legend
FP = Federal Insurance Program
GA = State Guarantee Agency Program

Table II

PERCENT DISTRIBUTION OF CLAIMS BY STUDENT BORROWER CHARACTERISTICS 1/

	Type of Program	Fiscal Year 1969	Fiscal Year 1973	Difference of 1973 over 1969
Gross Family Income 2/				
$6,001 - $12,000	FP *	26%	30%	+ 4%
	GA	37%	21%	-16%
$6,000 and below	FP	55%	49%	- 6%
	GA	33%	27%	- 6%
Adjusted Family Income 3/				
$6,001 - $12,000	FP	17%	19%	+ 2%
	GA	33%	27%	- 6%
$6,000 and below	FP	66%	58%	- 8%
	GA	53%	40%	-13%
Claims from Minority Students	FP	15%	22%	+ 7%
	GA	10%	13%	+ 3%
Sex				
Male	FP	49%	51%	+ 2%
	GA	40%	57%	+17%
Female	FP	20%	22%	- 2%
	GA	20%	10%	-10%
Age of Student				
17 - 20 years	FP	14%	6%	- 8%
	GA	21%	13%	- 8%
27 years and over	FP	18%	31%	+13%
	GA	7%	23%	+16%
Marital Status				
Single	FP	39%	36%	- 3%
	GA	47%	48%	+ 1%
Married	FP	23%	29%	+ 6%
	GA	9%	12%	+ 3%
Academic Program 4/				
Specialized & Vocational	FP	24.9%	76.3%	+51.4%
	GA	17.2%	16.8%	- .4%
College & University	FP	52.8%	17.8%	-35.0%
	GA	66.0%	58.9%	- 7.1%

1/ Percentages were derived from a 100% sample of claims filed through June 30, 1973. Percentages shown represent responses to items on the borrower's application for a student loan. In many cases, 100% response was not always received. However, non-response was not considered sufficient to bias the percentages.

2/ The gross family income is the total income of the student's family from all sources.

3/ The adjusted family income is used to determine if a student is eligible for interest benefit payments under the program. The adjusted family income is computed by subtracting a standard deduction of 10% plus all personal exemptions from the gross family income.

4/ Percentages were derived from a 50% sample of defaulted borrower data in May 1974.

* Legend FP = Federal Insurance Program
GA = State Guarantee Agency Program

Federal Insurance Program

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Federal Insurance Program:				
Obligations.............	$80,000,000	$134,092,000	$146,437,000	+$12,345,000
Replacement of 1974 Borrowing Authority....	--------	19,031,000	---------	- 19,031,000
Available Receipts and Carryover..........	-12,650,000	- 9,373,000	- 20,600,000	- 11,227,000 1/
Total, Budget Authority	67,350,000	143,750,000	125,837,000	- 17,913,000

1/ negative amounts represent increases in receipts.

Narrative

Authority and Purpose

A program of Federal loan insurance for students and lenders who do not have reasonable access to State or private nonprofit guarantee agency programs is authorized under the Higher Education Act of 1965. Upon default of student borrowers, the Office of Education is authorized to pay the lending institution 100 percent of the principal amount of the loss. The Education Amendments of 1972 also provide that all Federally insured loans made under the new legislation are insured for 100 percent of the unpaid principal balance plus interest, whether or not the loan qualifies for Federal interest benefits. In the event of death or total and permanent disability, the Commissioner of Education discharges the borrower's liability by paying the lender the total amount owed. The law also authorizes the Commissioner of Education to charge an insurance premium of up to one-fourth of one percent per year on the unpaid principal amount of loans insured under this program.

Scope of the Program

The Higher Education Act of 1965 originally placed emphasis for insuring a loan on State and private nonprofit agencies. The Federal program of insurance was provided on a stand-by basis in the event that the State or private nonprofit agencies were unable to provide adequate coverage. Today, the Federal Insurance Program is operating in 26 States, Guam, Puerto Rico, and the Trust Territories of the Pacific. By the end of fiscal year 1976 approximately $4,065,000,000 in disbursed loans will have been insured under the Federal Program--approximately 44 percent of all loans insured under the Guaranteed Student Loan Program.

Operation of the Program - Collection Efforts

The lender must exercise reasonable care and diligence both in the making and collection of loans. In the event the borrower dies or becomes totally or permanently disabled, the government reimburses the lender for the total amount owed. No subsequent efforts are made to recover these losses either from the borrower or from the estate. In the event of bankruptcy, limited efforts are made first by the lending institution and then by the Office of Education to obtain reaffirmation of the debt and some borrowers have reaffirmed their debt after discharge in bankruptcy. However, in the event the borrower defaults on an obligation, other than described above, the lender is required to make all reasonable efforts to effect collection before filing a claim with the Federal Government for reimbursement of the loss. If it is determined that the lender has not exercised such diligence, the claim is returned for further effort or in some cases ruled ineligible for payment due to lender negligence. The Federal Government provides lenders with preclaim assistance which has resulted in many delinquent accounts being returned to good standing.

Fiscal Year 1976 Estimate

An appropriation of $175,837,000 is requested for the Federal Insurance Program to cover an increase in default payments in 1976. Although this request represents a decrease of $17,913,000 below the 1975 level of $143,750,000, an adjustment must be made for $19,031,000 included in 1975 to replace 1974 borrowing authority. The $143,750,000 1975 level is reduced by the $19,031,000 borrowing authority to arrive at the actual 1975 level of $124,719,000. Thus, the $125,837,000 request for 1976 represents an increase of $1,118,000 over the adjusted level of $124,719,000. This $1,118,000 increase together with an increase in receipts of $11,227,000 will support the $12,345,000 increase in obligations (discussed below.)

Defaults under the Federally insured phase of the program did not begin reaching the Office of Education until late in fiscal year 1970. Fiscal year 1973 was the first year in which substantial numbers of defaults were received and paid. In addition, data had been incomplete on matured loans because of lender reporting problems. A corresponding lack of experience existed in predicting with accuracy the rate of recovery on defaulted loans since the collection program was relatively new. With the experience factor of an additional fiscal year, 1974, and the implementation of a budget estimation model, the Office of Education can now more accurately estimate the number of defaults.

Obligations - Estimate of Claims on Defaulted Loans

Payments in connection with claims on defaulted student loans are expected to total $146,437,000 in 1976, an increase of $12,345,000 over the 1975 revised estimate of $134,092,000.

The 1976 estimate was developed using a budget estimation model. The model analyzes loan data for the past eight years by eight major categories of loans including type of school or college and the type program offered by the school. The model indicates that the default rate for 1976 is estimated to reach 19 percent, as compared to 18 percent in 1975, an increase of one percent. The higher default rate is related to an increase of $666 million in matured loans, those that are entering the repayment status and are therefore potentially subject to default, and to the $1,481 million already in repayment status. Large numbers of loans mature sooner in this program because of the high incidence of vocational school borrowers.

Under the Federal program, student loans are currently going into repayment status sooner than the State and nonprofit private agency phase of the Guaranteed Student Loan Program. This relates to the fact that loans to specialized and vocational school students account for a larger share (49%) of the total Federal program volume beginning with fiscal year 1971. Recent analysis of claims characteristics show that of all claims paid through fiscal year 1974, 59.7 percent were for defaulted borrowers who attended nondegree granting specialized institutions. For those that reported adjusted family income, 72.9 percent had adjusted family incomes of $6,000 and below, and 50.9 percent $3,000 and below. Approximately 41.8 percent of the specialized and vocational defaulted borrowers indicated a minority racial status. Nearly 50 percent were single borrowers, and of the total 57.8 percent were male and 41.2 percent were female.

Table II shows some changes in the characteristics of student borrowers who have defaulted. Comparisons as to differences are made between fiscal year of disbursement 1969 and 1973, a span of five fiscal years. For the Federal Program (FP) there is an evident increase in higher gross and adjusted family incomes among borrowers who default. Claims from minority students have increased significantly, seven percent. There is an indication that more male borrowers are defaulting than female borrowers. The age shift is very significant indicating that borrowers 27 years and older are defaulting at an increasingly higher rate. This may be related to the shift in marital status which indicates an increase in married defaulters, who might be the older borrowers indicated above. The most significant shift of all is the increase in specialized and vocational student defaulters and the decrease in the number of college and university student defaulters. This can certainly be attributed to the increase in loans to specialized and vocational students, however, college and university student borrowers may also have a lower tendency to default.

Receipts and Carryover

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Loans repaid (collections on defaulted loans)..........	$9,700,000	$7,000,000	$17,100,000	+$10,100,000
Insurance Premiums..........	3,200,000	3,000,000	3,200,000	+ 200,000
Interest income on defaulted loans......................	2,223,000	4,200,000	7,900,000	+ 3,700,000
Carryover balance available, start of year.............	4,132,000	4,760,000	9,587,000	+ 4,827,000
Carryover balance not available, end of year....	-6,605,000	-9,587,000	-17,187,000	- 7,600,000
Available Receipts and Carryover	12,650,000	9,373,000	20,600,000	+11,227,000

Collections on Defaulted Loans

The 1976 estimate on defaulted loans is $17,100,000, an increase of 144 percent over the $7,000,000 expected to be collected in fiscal year 1975. This significant increase is due to vastly improved personpower as follows. First, the fiscal year 1974 Supplemental Salaries and Expenses Appropriation authorized 109 collectors, an increase of 138 percent; raising the total number of collectors to 135. Second, 37 collector correspondent positions are requested in the 1976 Salaries and Expenses Appropriation.

The estimate of $17,100,000 is based on the assumption that an annual receipt of $191 will be collected for each default that has been converted to repayment status at the beginning of fiscal year 1976. Thus, 52,276 defaults at $191 each will yield $10,000,000 in collections. In addition, an average receipt of $110 will be collected for each new default converted to repayment status during fiscal year 1976, a total of 64,469 new cases worth an estimated $7,100,000 in collections.

For each personyear of effort not realized, the program forgoes $43,560 (396 x $110). Thus, if the 37 collector correspondent positions in the 1976 Salaries and Expenses Appropriation are not authorized, the program will forgo $1,210,968 in collections and the conversion to repayment of 11,009 cases.

Insurance Premiums:

A small decrease of $200,000 is included for insurance premiums for a total of $3,200,000 compared to the 1975 revised estimate of $3,000,000. The Higher Education Act authorizes the charge of an insurance premium in the amount of one-fourth of one percent per annum. The premiums are actually collected in advance for the interim period which can run for five years and the average insurance premium is $6.50. This increase relates primarily to an increase in the number of disbursed loans subject to premiums from the 1975 revised estimate of 459,000 to a new total of 504,000. The $6.50 rate is applied to the 504,000 new loans to arrive at the $3,200,000 in premiums incomes.

Interest Income:

For interest income on defaulted loans, an increase of $3,700,000 is estimated for a total of $7,900,000 compared to the 1975 revised estimate of $4,200,000 since more loans are in default. Interest income is estimated by applying an average rate of 7 percent to $253 million in defaulted loans received by the Office of Education and outstanding at the beginning of fiscal year 1976. Thus, approximately $253 million would be subject to interest for a total of approximately $17.7 million. Based on experience, this amount is further adjusted by assuming that 45 percent of the interest will be collected by the Office of Education and that 55 percent will be written off as uncollectable. Thus only $7.9 million of the $17.7 million is included in the estimates.

The 1975 revised estimate assumed a 7 percent rate applied to approximately $130 million in defaulted loans for a total of $9.1 million. This amount was further reduced by applying the 45 percent factor to arrive at the net $4,200,000 in interest income. Interest due the Federal Government on defaulted loans is estimated as it accrues and is shown as income in the Student Loan Insurance Fund even though the interest will not be available to meet Fund obligations until defaulted loans--principal and interest--are collected.

Carryover Balance:

The carryover balance at the end of the year consists of accured but uncollected interest on defaulted loans and accrued uncollected insurance premiums. Such amounts are not available for obligation until received and therefore have no effect on the budget request. The increases of $4,827,000 at start of year (from $4,760,000 to $9,587,000) and $7,600,000 at end of year (from $9,587,000 to $17,187,000) result primarily from increases in uncollected interest income for fiscal years 1975 and 1976. These increases result primarily from the increase in defaulted loans from which the Office of Education receives interest income.

Federal Reinsurance Program

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Federal Reinsurance Program:				
Obligations.............	$54,000,000	$60,000,000	$90,000,000	+$30,000,000
Available Receipts and Carryover..............	- 6,350,000	- 6,150,000	-14,050,000	- 7,900,000 1/
Total, Budget Authority	$47,650,000	53,850,000	$75,950,000	+$22,100,000

1/ Negative amount represents an increase in receipts.

Narrative

Authority and Purpose

The Higher Education Amendments of 1968 authorized the Office of Education to reinsure loans guaranteed by State and nonprofit private agencies to the extent of 80 percent of the principal amount of the loss incurred by the agency in meeting its obligations to lenders as a result of default by student borrowers. One of the principal purposes of this amendment was to substitute Federal credit in lieu of further advances to the State pursuant to Section 422 of the Act. The effect of the 80 percent reinsurance is to increase the guarantee capacity of the agency by a factor of five.

Scope of the Program

Twenty-five states, the District of Columbia and the United Student Aid Funds, Inc. currently have agreements to guarantee student loans. Twenty-one of these agencies operate their programs directly; five have contracted with United Student Aid Funds, Inc., a private nonprofit agency, to administer their programs. Reinsurance agreements are currently effective in 24 states and the District of Columbia. Loans guaranteed by the state of Virginia or United Student Aid Funds are not subject to reinsurance. By the end of fiscal year 1976, an estimated $4.6 billion in loans will have been made which are covered under the Federal Reinsurance Program --approximately 50 percent of all loans made under the Guaranteed Student Loan Program. An additional 551 million--or about 6 percent of all loans will have been guaranteed by state agencies, but not reinsured by the Federal Government.

Operation of the Program - Collection Efforts

In the case of loans guaranteed by State and nonprofit private agencies, the guarantee agency requires diligent collection efforts on the part of the lender prior to paying claims. After default the agency has the responsibility to recover the loss. Eighty percent of the payments made by defaulted borrowers to the agency are returned to the Federal Government. The Federal Government has no direct responsibility for making collections. The agreement providing for reinsurance of guaranteed loans includes standards to be met by the guarantee agency. Program reviews are conducted to assure that they are conducting business according to the terms of the Office of Education's agreement.

Fiscal Year 1976 Request

For the Reinsurance program, an appropriation of $75,950,000 is requested. This amount represents an increase of $22,100,000 over the 1975 revised estimate of $53,850,000. In making estimates, the Reinsurance Program cannot be compared to or based on the Federal Insurance program because of basic differences in operations and the constituency served by the two programs. In developing fiscal year 76 estimates, the Agencies were requested to supply additional improved data. A continued effort to improve and refine this reporting mechanism is being developed with an ultimate goal of a semi-annual reporting cycle, to be operational by June 30, 1975. It is impossible at this time to use the budget estimation model on this Program.

Obligations - Estimates of Claims on Defaulted Loans

Payments in connection with claims on defaulted student loans are expected to total $90,000,000 in 1976, an increase of $30,000,000 over the 1975 revised estimate of $60,000,000. Recent data received from the guarantee agencies indicate the default rate will reach 10.5 percent in 1976, an increase of 3.1 percent over the 1975 rate of 7.4 percent. The higher default rate is related to an increase of $447 million in matured loans, loans that are entering the repayment status, and are therefore potentially subject to default, and $2,571 million already in repayment status. It is impossible to attribute the above increase precisely to any one academic program. However, Junior colleges and Institute defaults are on the increase as explained below. For all claims paid in this program thru fiscal year 1974, 67.0 percent of the defaults were for college and university borrowers, 16.3 percent for junior colleges institute borrowers, and 15.0 percent for specialized and vocational borrowers.

Table II indicates that colleges and universities, and specialized and vocational defaults decreased between 1969 and 1973, however, junior colleges and institutes' defaults increased from 15.6 percent in 1969 to 23.7 percent in 1973, a difference of +8.1 percent.

Receipts and Carryover

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Loans repaid (collections on defaulted loans)..........	$6,100,000	$6,100,000	$13,800,000	+$7,700,000
Interest income on defaulted loans.....................	1,677,000	2,300,000	3,900,000	+ 1,600,000
Carryover balance available, start of year............	2,772,000	2,669,000	4,919,000	2,250,000
Carryover balance not available, end of year....	-4,199,000	-4,919,000	-8,569,000	-3,650,000
Available Receipts and Carryover	6,350,000	6,150,000	14,050,000	+7,900,000

Collections on Defaulted Loans:

The 1976 estimate includes an increase of $7,700,000 over the 1975 level of $6,100,000. The goal for 1976 is $13,800,000. The assumed percentage of recovery on default dollars outstanding (approximately $125 million) at the end of fiscal year 1975 is at the rate of

11 percent. However, the rate will vary among the agencies. Eighty percent of all defaults collected become available as income to the Student Loan Insurance Fund. The collections estimate has been adjusted to reflect the net eighty percent figure.

Interest Income

For interest income on defaulted loans, an increase of $1,600,000 is estimated for a total of $3,900,000 compared to the 1975 revised estimate of $2,300,000. Interest income is estimated by applying an average rate of 7 percent to defaulted loans received by the Office of Education and outstanding at the beginning of fiscal year 1975. Thus, approximately $125 million would be subject to interest for a total of approximately $8.7 million. Based on experience, this amount is further adjusted by assuming that 45 percent of the interest will be collected by the Office of Education and that 55 percent would be written off as uncollectable. Thus only $3.9 million of the $8.7 million is included in the estimates. The 1975 revised estimate assumed a 7 percent rate applied to approximately $73 million in defaulted loans for a total of $5.1 million. This amount was further reduced by applying the 45 percent factor to arrive at the net $2,300,000 in interest income. As explained earlier, this income will become available in future years.

Carryover Balance

The changes reflected in interest income and carryover balances represents accrued interest income on defaulted loans. The increase of $2,250,000 at the start of year (from $2,669,000 to $4,919,000) and the increase at the end of year (from $4,919,000 to $8,569,000) result from an estimated increase in defaulted loans for 1975 and 1976. The Office of Education receives interest income from which the collection of such interest will be made only after the defaulted loan has been paid in full. Therefore, these items have no effect on current budget requirements, but will be available in future years.

GUARANTEED STUDENT LOAN PROGRAM

Student Loan Insurance Fund

Program Purpose and Accomplishments

Activity: Payments in connection with defaults on student loans.

1975	1975	1976	
Estimate	Revised	Authorization	Budget Estimate
$115,000,000	$197,600,000	Indefinite	$201,787,000

Purpose: To enable the Commissioner of Education to make payments on defaults by student borrowers under the Federally Insured Student Loan Program, the Student Loan Insurance Fund was established under the authority of the Higher Education Act of 1965. The liability of the fund was substantially increased by the Higher Education Amendment of 1968 which authorizes the Commissioner to reinsure loans guaranteed by States and non-profit private agencies at 80 percent of default.

Explanation: Funds are made available to the Commisioner, without fiscal year limitation, to make payments in connection with default of insured and reinsured loans by student borrowers.

Accomplishments in 1975: In fiscal year 1975 an appropriation of $197,600,000 along with receipts into the fund of $15,523,000 provided total funds of $213,123,000. This amount supported obligations of $194,092,000 and $19,031,000 for repaying 1974 borrowing authority.

Objectives for 1976: Obligation for payments in connection with defaults are estimated at $236,437,000. This amount represents an increase of $42,345,000 over the 1975 level of $194,092,000. This amount would be funded by income and other receipts into the fund of $34,650,000 and an appropriation of $201,787,000.

Supplemental Fact Sheet
GUARANTEED STUDENT LOAN PROGRAM

Federally Insured Loan Program
and
Guarantee Agency Program

	Fiscal Year 1974		Fiscal Year 1975		Fiscal Year 1976	
	Number (000)	Amount (millions)	Number (000)	Amount (millions)	Number (000)	Amount (millions)
Loans Committed						
Start of Year	6,031	5,833	6,970	6,974	7,970	8,374
Current Year	939	1,141	1,000	1,400	1,100	1,650
End of Year	6,970	6,974	7,970	8,374	9,070	10,024
Loans Disbursed						
Start of Year	5,586	5,394	6,435	6,425	7,340	7,693
Current Year	849	1,031	905	1,268	995	1,492
End of Year	6,435	6,425	7,340	7,693	8,335	9,185
Cumulative Disbursed Loans Paid-In Full, Defaults and Writeoffs		1,715		2,373		3,085
Cumulative Disbursed Loans Outstanding		4,710		5,320		6,100
In Repayment		1,416		1,679		2,026
In School		3,294		3,641		4,074
Percent of Outstanding, Loans in School		70%		68%		67%
Yearly Disbursed Matured Loans		718		921		1,059
Cumulative Disbursed Matured Loans		3,131		4,052		5,111
Federally Insured		(950)		(1,481)		(2,147)
Guarantee Agencies		(2,179)		(2,571)		(2,964).
CLAIMS ACTIVITIES:						
Claims Received (combined)		262.2		477.8		749.2
Federally Insured		(144.2)		(277.9)		(424.3)
Guarantee Agencies		(116.0)		(199.9)		(324.9)
Claim Rates Combined		8.3%		11.8%		14.7%
Federally Insured		(15.1%)		(18.8%)		(19.7%)
Guarantee Agencies		(5.4%)		(7.8%)		(10.9%)

DEFAULT ACTIVITIES:			
Defaults Received (combined)	247.8	458.2	720.5
Federally Insured	(137.0)	(266.7)	(408.1)
Guarantee Agencies	(110.8)	(191.5)	(312.4)
Gross Default Rates (combined)	7.9%	11.3%	14.1%
Federally Insured	(14.4%)	(18.0%)	(19.0%)
Guarantee Agencies	(5.0%)	(7.4%)	(10.5%)
NET DEFAULTS:			
Defaults not converted to repayment status Federally Insured Defaults	103.2	181.5	249.0
Net Defaults Rate Federal 1/	10.8%	12.3%	11.6%

1/ Net dafault rate not available for guarantee agencies.

Student Loan Insurance Fund

Amounts Available for Obligation

	1976 Estimate	Estimate July 1, 1976-Sept. 30, 1976
Appropriation	$201,787,000	$ 30,000,000
Receipts and carryover balance:		
Insurance premium	3,200,000	800,000
Accrued interest income	11,800,000	4,500,000
Loans repaid	30,900,000	21,000,000
Unobligated balance, start of year	14,506,000	25,756,000
Unobligated balance, end of year	-25,756,000	-29,056,000
Subtotal, receipts and carryover balances	34,650,000	23,000,000
Total, obligations	236,437,000	53,000,000

Budget Authority by Activity

	1976 Estimate	Estimate July 1, 1976-Sept. 30, 1976
Federal Insurance Program	$125,837,000	$ 18,000,000
Federal Reinsurance Program	75,950,000	12,000,000
Appropriation	201,787,000	30,000,000

Obligation by Activity

	1976 Estimate	Estimate July 1, 1976 Sept. 30, 1976
Payments in connection with defaults on student loans:		
(a) Federal Insurance program	$146,437,000	$ 37,000,000
(b) Federal Reinsurance program	90,000,000	16,000,000
Total obligations	236,437,000	53,000,000

Obligations by Object

	1976 Estimate	Estimate July 1, 1976-Sept. 30, 1976
Investments and loans	$228,437,000	$ 51,200,000
Insurance claims and indemnities	8,000,000	1,800,000
Interest and dividends	---	---
Total obligations by object	236,437,000	53,000,000

Student Loan Insurance Fund

Justification

	1976 Estimate	Estimate July 1, 1976- Sept. 30, 1976
Federal Insurance Program:		
Obligations	$146,437,000	$ 37,000,000
Available receipts and carryover	-20,600,000	-19,000,000
Subtotal, Budget Authority	125,837,000	18,000,000
Federal Reinsurance Program:		
Obligations	90,000,000	16,000,000
Available receipts and carryover	-14,050,000	- 4,000,000
Subtotal, Budget Authority	75,950,000	12,000,000
Total:		
Obligations	236,437,000	53,000,000
Budget Authority (appropriation)	201,787,000	30,000,000

Receipts and Carryover:

1. Federal Insurance Program:		
Loans repaid (collections on defaulted loans)	17,100,000	17,000,000
Insurance premiums	3,200,000	800,000
Interest premiums	7,900,000	2,900,000
Carryover balance available, start of year	9,587,000	17,187,000
Carryover balance not available, end of year	-17,187,000	-18,887,000
Available receipts and carryover	20,600,000	19,000,000
2. Federal Reinsurance Program:		
Loans repaid (collections on defaulted loans)	13,800,000	4,000,000
Interest income	3,900,000	1,600,000
Carryover balance available, start of year	4,919,000	8,569,000
Carryover balance not available, end of year	-8,569,000	-10,169,000
Available receipts and carryover	14,050,000	4,000,000

Narrative

An appropriation of $30,000,000 is requested for the Student Loan Insurance Fund to cover default payments for the interim budget period, July 1, 1976 through September 30, 1976. In order to arrive at this estimate certain assumptions had to be made relatively to resource and commitments on a 12 month basis. During this period, the effects of new regulations and legislation along with management improvements, should reflect substantial increases in collection along with corresponding decreases in default payments. The table below reflects the basic for this request.

	12 month basis after June 30, 1976	3 month basis Interim Budget
Default payments	$215,000,000	$53,000,000
Less:		
Receipts deposited into the fund	-88,000,000	-23,000,000
Appropriation	127,000,000	30,000,000

Estimates for obligations and receipts are estimated at 25% of the 12 month basis period. Receipts are further adjusted to reflect cash receipts from prior years receivables.

FRIDAY, MARCH 14, 1975.

LIBRARY RESOURCES

WITNESSES

DICK HAYS, ACTING ASSOCIATE DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS AND ACTING DIRECTOR OF THE OFFICE OF LIBRARIES AND LEARNING RESOURCES

DR. TERRELL H. BELL, COMMISSIONER OF EDUCATION

ROBERT R. WHEELER, ACTING DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS

ROBERT KLASSEN, CHIEF, PROGRAM DEVELOPMENT AND ASSISTANCE, OFFICE OF LIBRARIES AND LEARNING RESOURCES

MARY HELEN MAHAR, SCHOOL LIBRARY RESOURCES PROGRAM MANAGER, OFFICE OF LIBRARIES AND LEARNING RESOURCES

CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. We have Mr. Dick Hays, Acting Associate Deputy Commissioner.

We will insert your biographical sketch and statement in the record.

[Mr. Hays' biography and statement follow:]

Name: Dick Warren Hays.

Position: Acting Associate Deputy Commissioner for School System.

Birthplace and date: Holtville, Calif., October 7, 1933.

Education: Orange Coast College, California, A.A., 1953; University of Redlands, California, B.A., 1956; University of California, M.P.A., 1959; Michigan State University, Michigan, advanced graduate study, 1960–61; University of California, doctoral program, 1961–62.

Experience: Present: Acting Associate Deputy Commissioner for School Systems and Acting Director of the Office of Libraries and Learning Resources; 1973–75: Acting Director, Division of Library Programs; 1970–73: Assistant Commissioner for Special Concerns, U.S. Office of Education; 1969–70: Director for Intradepartmental Educational Affairs, Office of the Assistant Secretary/Commissioner of Education, DHEW; 1968–69: Senior program analyst, Office of Assistant Secretary for planning and Evaluation, DHEW; 1967–68: Senior program analyst, management sciences, Stanford Research Institute; 1966–67: Director, Financial Management Education and Information, Office of Assistant Secretary for Defense/Comptroller; 1965–66: Staff analyst, Office of Assistant Secretary of Defense/Comptroller; 1964–65: Social science analyst, U.S. Naval Ordnance Test Station, China Lake, Calif.; 1956–64: Management analyst, U.S. Naval Ordnance Test Station, China Lake, Calif.

Association memberships: American Political Science Association; American Academy of Political and Social Science; American Society for Public Administration (past president, UCLA Chapter); Pi Gamma Mu (national social science honorary).

Mr. Chairman and members of the subcommittee, I am pleased to have this opportunity to appear before you to testify on the library resources appropriation for programs involving libraries and instructional resource programs in public libraries, schools, and academic institutions. It also covers the programs for librarian training and library demonstrations involving all types of libraries and information centers.

The 1976 budget provides $10 million for public library service programs and anticipates a separate request of $20 million for proposed new library legislation affecting all types of library facilities and their services in a defined partnership with the States and localities.

In addition, the 1976 budget contains support under title IV–B of the Elementary and Secondary Education Act for the advance funding for school year 1976–77 of $137,330,000 for the consolidated libraries and instructional resources program.

PUBLIC LIBRARY PROGRAMS

The Library Services and Construction Act expires with the fiscal year 1976 appropriation. Last year we appeared before this subcommittee requesting that the categorical Federal support for public libraries be phased down and a broader legislative authority be enacted to encompass more than just one type of library interest in support of the improvement of library practices and the development of cost-saving networks for sharing institutional resources.

This year we are requesting $10 million for the last year of the public library program to permit an orderly transition into the broadened purposes of the proposed new library legislation, the Library Partnership Act. We believe that State and local authorities bear the primary responsibility for the maintenance of public libraries. The success of the Federal role since the inception of the program in 1956 in providing seed money is attested to by the matching of $485 million Federal expenditures by more than $2 billion in State and local funds. In addition, in 1956 only 23 States had programs of direct aid to local public libraries; in 1975, 38 States have such programs for local library development.

The requested $10 million would permit the States to support the most promising exemplary outreach projects and to provide library materials and services to the blind, physically handicapped, and the institutionalized, including inmates of penal institutions. It will also give additional time and funds for a reasonable conversion to increased local and State support, including the use of general revenue sharing funds, for public library programs.

LIBRARIES AND INSTRUCTIONAL RESOURCES

Title IV–B of the Elementary and Secondary Education Act authorizes grants to States for school library and instructional resources, including guidance, counseling, and testing. This activity consolidates into a single authorization the school library resources program (ESEA title II), equipment and minor remodeling (NDEA title III–A), and the guidance, counseling and testing portion of the supplementary services program (ESEA title III). The amount of $137,330,000 was appropriated in fiscal year 1975 as advance funding for fiscal year 1976, and the same amount is being requested in fiscal year 1976 as advance funding for use in 1977. This request will provide for the triggering of the consolidation of title IV, part B.

It is expected that these funds will provide the same opportunities for benefits to children and teachers as the separate categorical programs did in the prior years. The restructuring, however, will provide local authorities greater responsibility in determining their own educational priorities and flexibility for focusing on these needs.

COLLEGE LIBRARY RESOURCES AND INSTRUCTIONAL EQUIPMENT PROGRAMS

No funds are requested in fiscal year 1976 for the college library resources program (HEA title II–A) and the undergraduate instructional equipment program (HEA title VI–A) in keeping with the shift of Federal dollars away from narrow institutional aid programs toward student support.

LIBRARIAN TRAINING AND DEMONSTRATIONS

Further, no funds are requested for the librarian training and library demonstrations programs (HEA title II–B). It is proposed that Federal support continue to shift from narrow categorical training programs again to the broader student assistance programs supported in this budget. The demonstration projects funded by this title will be eligible for support under the proposed new library legislation.

SUMMARY

In summary, we are requesting $147,330,000 for the library resources appropriation, with $10 million for public libraries and $137,330,000 for school libraries and instructional resources. These funds are to be supplemented later by a request for $20 million for proposed legislation designed to coalesce a number of library categorical programs into one legislative authority designed to encourage and support demonstrations of improved library and information services and to promote the development of institutional networks for the sharing of resources.

Mr. HAYS. I would like to introduce Mary Helen Mahar, School Library Resources Program Manager, Office of Libraries and Learning Resources; and Robert Klassen, Chief, Program Development and Assistance, Office of Libraries and Learning Resources.

USE OF REVENUE SHARING FUNDS FOR PUBLIC LIBRARIES

Mr. FLOOD. You have a budget request here for $10 million. That is based upon a proposed phasedown of public library programs. In your statement you talk about general revenue sharing. This is the greatest thing since sliced bread in packages. However, the Office of Revenue Sharing tells us the libraries received less than 1 percent of the revenue-sharing dollar for the 18-month period ending in June 1973. That being the case, how much revenue-sharing funds are the States currently using for library services?

Mr. HAYS. Revenue sharing is——

Mr. FLOOD. How much in general revenue sharing funds? You say you are going to cut back in public libraries. Now, I ask you, how much in general revenue sharing are the States currently, this morning, using for library services?

Mr. HAYS. I do not know the exact amount going to each State; however, under general revenue sharing the 1 percent equals $82.3 million for July 1973 to June 1974, which compared to the previous 18-month period total of $18.5 million. So while it is at the 1 percent level the actual number of dollars has jumped significantly.

Mr. FLOOD. Suppose you place in the record a State-by-State breakdown of that figure for the record.

Mr. HAYS. I will be delighted to do so.

[The information follows:]

GENERAL REVENUE SHARING FUNDS USED BY STATES AND LOCAL JURISDICTIONS FOR PUBLIC LIBRARIES FISCAL YEAR 1974

State	Maintenance and operation expenditures	Capital expenditures
Alabama	$919, 058	$602, 224
Alaska	218, 817	4, 035
Arizona	383, 835	340, 981
Arkansas	231, 898	542, 581
California	1, 400, 517	5, 062, 649
Colorado	446, 567	334, 943
Connecticut	1, 050, 921	456, 456
Delaware	462, 739	10, 045
Florida	248, 499	900, 125
Georgia	249, 001	1, 214, 887
Hawaii		61, 352
Idaho	38, 766	163, 403
Illinois	1, 032, 835	1, 354, 828
Indiana	17, 536	138, 645
Iowa	411, 507	434, 897
Kansas	64, 059	406, 750
Kentucky	500, 078	559, 241
Louisiana	580, 258	1, 037, 889
Maine	259, 730	134, 048
Maryland	2, 028, 303	15, 130
Massachusetts	1, 932, 774	804, 662
Michigan	1, 247, 835	1, 300, 748
Minnesota	804, 448	807, 516
Mississippi	333, 885	296, 959
Missouri	79, 123	533, 286
Montana	94, 726	541, 625
Nebraska	127, 539	365, 255
Nevada	$81.000	$6,000
New Hampshire	84,215	101,121
New Jersey	902,807	437,729
New Mexico	38,627	344,152
New York	8,699,795	847,083
North Carolina	1,496,339	5,838,638
North Dakota	57,455	83,115
Ohio	265,326	983,657
Oklahoma	58,098	572,301
Oregon	3,315,163	255,586
Pennsylvania	7,120,177	400,703
Rhode Island	145,600	4,996
South Carolina	315,338	714,417
South Dakota	75,463	65,381
Tennessee	1,139,310	1,241,279
Texas	1,707,005	3,180,503
Utah	73,870	677,685
Vermont	150,947	62,321
Virginia	612,857	1,029,533
Washington	1,424,429	386,165
West Virginia	476,683	316,672
Wisconsin	2,524,903	157,265
Wyoming	118,039	88,814
District of Columbia		
Subtotal	46,048,700	36,220,356
Total	82,269,056	

EFFECT OF PHASEDOWN

Mr. Flood. How will this phasedown of library services affect the smaller States, the ones with the low per capita income? So many of the smaller States have this low per capita income. How will they be affected by this?

Mr. Hays. The phasedown from over $40 million to the $10 million level will be a significant one. The $10 million level will mean we will be providing basic allotments to all the States of approximately $189,000.

BILINGUAL PROGRAMS

Mr. Flood. The new education law; that is, the one Congress enacted last year, you remember that amended the public library program by including the provision for the bilingual programs. Of course, you are aware of that new provision?

Mr. Hays. Yes, sir.

Mr. Flood. Are you funding it? If not, why not?

Mr. Hays. It amends LCSA I, as an additional priority of the overall program.

Mr. Flood. Are you funding this new provision?

Mr. Hays. It is up to the States, sir, to meet the priorities. We cannot tell them exactly which priorities, and it is up to them in their judgment as to how they will meet them. Bilingual service is one of the priority areas.

RURAL PUBLIC LIBRARIES

Mr. Flood. We already have a lot of evidence as to the effect of inflation on public libraries, they have cut back their hours of operation, they are restricted in going out to buy books and it is the rural libraries which are especially hard hit. According to the American Library Association, 77 percent of our libraries, nationwide, believe it or not, are in rural areas. Of course, these libraries in these rural areas depend upon Uncle Sam for 50 percent, at least 50 percent of their total budget. If we buy this budget proposal of yours, is there any assurance that these rural libraries will be able to stay in operation?

Mr. Hays. What we do have, Mr. Chairman, is the indication——

Mr. Flood. People talk about libraries and all they think about is a great big gigantic brick thing on Main Street in some city, but 77 percent are in rural areas.

Mr. Hays. We have seen a significant jump in State support. Initially, 23 States provided some support; only 6 of the 23 provided a substantial amount. Today, there are 38 States providing State aid for public library assistance. In addition, we understand four other States have proposals to their legislatures for support to their library systems.

Mr. Flood. What about you? If you are going to have a phaseout in view of this situation, and I am not trying to tell you what the situation is, but what about you, are you passing the buck to the States? Seventy-seven percent of these institutions are rural and 50 percent of what they have to get, they get from you. And you are phasing out. What will happen?

Mr. Hays. We anticipate support will come from State and local funds. The public library program was initiated to promote library service in rural areas without adequate service. The Federal Government has indeed provided a significant thrust in that area.

Mr. Flood. Fifty percent is significant.

Mr. Hays. Yes, but it is also significant that 94 percent of our population has access to libraries as compared to nearly 50 percent when the program started.

Mr. Flood. That may be, but I am talking about the 77 percent in the rural areas.

Mr. Hays. In addition to our $10 million request, we do anticipate coming forward with a request for $20 million for the proposed Library Partnership Act to support demonstrations of improved library and information services and to promote sharing of resources among libraries.

BOOKMOBILES

Mr. Flood. Yes. Do you have any statistics right now as to the number of bookmobiles being used right now?

Mr. Hays. I do not have the total number.

Mr. Klassen. At the moment we have supported 690 bookmobiles under the Library Services and Construction Act.

Mr. Flood. Has the use of bookmobiles been curtailed?

Mr. Klassen. The use of bookmobiles is continuing. It has been curtailed in some areas for a new program that a good many libraries are finding more economical, that is the "books by mail" program where people can request books by mail from lists sent to them.

Mr. Flood. But the bookmobile program has been curtailed?

Mr. Klassen. There is no mandated curtailment.

Mr. Flood. There has been a curtailment?

Mr. Klassen. Yes.

LIBRARY SERVICES FOR THE DISADVANTAGED

Mr. Flood. How many disadvantaged persons were served last year under the public library program?

Mr. Hays. Approximately 28 million disadvantaged persons had access through Library Services and Construction Act programs. It is a significant number compared to when we began with the program.

Mr. Flood. That being so, how many would be served with the amount requested in this budget?

Mr. Hays. We cannot give an exact determination, but we would judge that what has been stimulated by the Federal Government will be carried forth. So it is hoped the level will not be significantly reduced.

LIBRARY SERVICES FOR THE HANDICAPPED AND INSTITUTIONALIZED

Mr. Klassen. As you may recall, the LSCA Amendments of 1970 mandated floor level expenditures by the States for the blind and physically handicapped and State institutionalized.

Mr. Flood. How many physically handicapped were served?

Mr. Klassen. There were 400,000 blind and physically handicapped and 800,000 State institutionalized persons served through this program in past years.

Mr. FLOOD. How many handicapped persons will be served under this budget?

Mr. KLASSEN. 400,000.

Mr. FLOOD. Same amount?

Mr. KLASSEN. 400,000 blind and physically handicapped and 737,000 State institutionalized persons. It was required that the States maintain at least the same level of expenditures as they had expended in these areas in fiscal 1971. With the $10 million the administration is proposing, the States must maintain the same levels as occurred in 1971. That level is approximately at the $6 million level. So you can see a good part of the $10 million will be insured for expenditures in these two categories.

RIGHT TO READ PROGRAM

Mr. FLOOD. Why cannot the public library be an important part of the right to read program?

Mr. HAYS. I think your suggestion is a very good one.

Mr. FLOOD. I did not make any suggestions, I am asking you a question.

Mr. HAYS. In administering the Library Services and Construction Act, we have tried to follow the guidelines set by the Commissioner. We have encouraged and supported not only right to read, but every other priority program effort in the Office of Education.

LIBRARY PARTNERSHIP ACT

Mr. FLOOD. The Library Partnership Act. Suppose you describe that proposal.

Mr. HAYS. As you know, this was introduced last year by Senator Javits.

Mr. FLOOD. What is the present status of this proposed legislation?

Mr. HAYS. A letter was sent by the Secretary to the Speaker of the House recommending favorable consideration of the Library Partnership Act.

Mr. FLOOD. Tell us a little bit about it.

Mr. HAYS. It will authorize grants to institutions and agencies to support innovations in library science and promote equalization of access to service. The program would also encourage all types of libraries—school, academic, public, and special—to share their resources and band together in a better way to provide services to the users.

Mr. FLOOD. Does it include title III, interlibrary cooperation?

Mr. HAYS. Yes, it includes support and assistance for interlibrary cooperation.

Mr. FLOOD. We thought you thought this interlibrary cooperation was a very, very effective program; why do you want those changes?

Mr. HAYS. We believe interlibrary cooperation is important.

Mr. FLOOD. Why do you want to change it?

Mr. HAYS. The Library Partnership Act could coalesce present important Federal library thrusts into a new legislative package which could be better administered by the Office of Education. The major change from the existing LSCA III is that the new legislation is for discretionary grants and contracts as compared to the current formula grant program.

The title III funding has varied from approximately $7 to $2 million a year. With the new proposal, we will be coming forward with a proposal for approximately $20 million a year. So we anticipate that significant emphasis will be placed on interlibrary cooperation.

Mr. Bell. It might be important to emphasize the administration intends to come with another $20 million in addition to what is asked for here.

SCHOOL LIBRARY RESOURCES

Mr. Flood. What was the original intent of the title II program for school library resources?

Mr. Hays. Under the Elementary and Secondary Education Act?

Mr. Flood. Yes. That was for the school library resources.

Mr. Hays. The intent was to promote and encourage the development of school libraries and media centers, and to support their growth in our elementary and secondary school systems.

Mr. Flood. Was not the prime objective to distribute funds to those schools which were not meeting the State library materials standards? Was that not to help them out?

Mr. Hays. Yes, sir.

Mr. Flood. How many of the elementary schools now have adequate libraries?

Mr. Hays. Our latest statistics indicate that approximately 81 percent of our elementary schools have libraries or media centers.

Mr. Flood. 81 percent? When did you check that last? The American Library Association tells us that 30 to 40 percent of the elementary schools are without adequate library facilities.

Mr. Hays. Yes.

Mr. Flood. What do you mean, yes? You just said 20 percent.

Mr. Hays. In terms of adequacy, our statistics indicate that 50 percent of the schools meet their own State standards.

Mr. Flood. Adequate or not?

Mr. Hays. Yes.

Mr. Flood. And the standards are set by the State and the American Library Association?

Mr. Hays. Yes, including the Association for Educational Communications and Technology.

Mr. Flood. All States have adopted the library material standards but the gimmick is that more than half of these States have not applied the standards in identifying the schools needing the additional materials and in forming the basis for the funds allocation. That has to be done first.

Do you think this new consolidation plan is going to correct that problem?

Mr. Hays. I think it offers the opportunity for us to have stronger regulations for the distribution of funds which perhaps spell it out more clearly that this is the intent and it will be followed.

It was also our intent in 1966 to make that quite clear. I guess we did not do a good enough job.

Mr. Flood. Somebody didn't.

Mr. Hays. I think our program staff has worked very hard over the past 5 or 6 years to assure, through workshops, technical assistance and evaluations, assistance to the States so they can assess need as the basis for program allocations.

CONSOLIDATION PROGRAM

Mr. **Flood**. On the consolidation program for libraries and instructional learning resources, will the school libraries be receiving the equivalent of their 1974 amount?

Mr. **Hays**. As you know, the consolidation of libraries and learning resources combines, in fiscal year 1976, ESEA title II, NDEA title III, and the guidance, counseling, and testing portion of ESEA title III. During the first year, 50 percent of the funds are available for each of the specific categorical purposes and the remaining 50 percent are used on a consolidation basis. As we go down to fiscal year 1977, there will be a total consolidation. The purpose of the consolidation was to give the States more flexibility on how they would use that money. Our judgment would be that they would roughly follow the pattern established.

TERMINATION OF COLLEGE LIBRARY RESOURCES PROGRAM

Mr. **Flood**. In your budget proposal you propose to terminate the college library resources funds. That argument comes back every year that you have a reduction and this reduction is in keeping with the shift of Federal dollars away from the narrow institutional aid concept toward more student support. This is the big thing the last 2 or 3 years. You have to be more specific. How will student aid dollars support academic libraries?

How do you do that?

Mr. **Hays**. It is up to the schools how they use their money. We are suggesting that Federal support for higher education be better focused on the student than on institutional aid.

Mr. **Flood**. I know that, but how is that going to help the academic libraries?

Mr. **Hays**. It would be up to the institution to determine how they can best spend the money they receive.

A significant part of that will be from student fees.

Mr. **Miller**. Mr. Chairman, one point I would like to make about the college library resources program and it has been our traditional reason for wanting to terminate it, is that the way the law operates we have to give $5,000 to each library without respect to need.

Mr. **Flood**. You heard him say what they will do with their fees.

All right, let's take a look at the impact this will have on the junior colleges and the community college libraries. There the costs are not presently covered by high tuition and high fees. What about them?

You know they are growing like Topsy, the community colleges. Every week, every month there is a new one.

Mr. **Hays**. As Mr. Miller indicated, the present program provides money to nearly 2,400 institutions without respect to need. Several years ago we did offer legislation that would better focus this on areas where it could help the institutions that needed that money the most.

Mr. **Flood**. Let's go to the other end. How many institutions of post-secondary education applied for these college library grants this year? What was the deadline, February 28?

Mr. **Hays**. Yes, sir.

Mr. **Flood**. How many?

Mr. **Hays**. Approximately 2,700 applied. That is about the universe that we expect.

That includes most accredited colleges, junior colleges, and other institutions that offer post-secondary education in the United States.

LIBRARIAN TRAINING PROGRAM

Mr. FLOOD. About the students, how many students are served right now through this library career training program?

Mr. HAYS. It serves students in various capacities, as trainees in institutes, as recipients of traineeships and as recipients of fellowships. In fiscal year 1975, we anticipate that we will be supporting approximately 941 in training institutes.

For fellowships and traineeships, we estimate that the total number of participants will be 165.

Mr. FLOOD. How does the market look?

Do you have any statistics at all on the job outlook for librarians? What do you think about it?

Mr. HAYS. There has been a recent study by the Department of Labor which was completed a year ago. It indicates that supply and demand in terms of jobs and employment opportunities for librarians is about at equilibrium. The assumption is that from now to 1985 the opportunities each year for librarians entering into the stream will be about 11,200. The study also indicates that our colleges and universities produce 9,000 students a year to go out to the job market.

The other 2,200 would be coming from those people who have opted out and are coming back into the profession.

Mr. FLOOD. What is the source of the funds for these institutions?

What will they use to provide the necessary library training programs?

Where will they get the money?

Mr. HAYS. Again our Library Partnership Act addresses the needs of training, particularly those needs where we think demonstrations of new training techniques are better at creating opportunities for the disadvantaged, the handicapped, and the institutionalized which have been the priorities for our HEA II–B institutes and fellowships.

Mr. FLOOD. How many applications did you receive for library training grants?

Mr. HAYS. Library training grants this year, 158 applications.

Mr. FLOOD. What was the cost for those applications in dollars?

Mr. HAYS. If we add them all up and take what they ask for, it would be $10 million.

LIBRARY DEMONSTRATIONS PROGRAM

Mr. FLOOD. How many applications did you receive for library research and demonstration grants?

Mr. HAYS. 178.

Mr. FLOOD. What was the amount of dollars?

Mr. HAYS. $12.7 million.

UNDERGRADUATE INSTRUCTIONAL EQUIPMENT PROGRAM

Mr. FLOOD. You have no request in here for undergraduate instructional equipment. You are not asking for anything for this. Will this new legislative proposal you are talking about, the library partnership business apply to library undergraduate equipment?

Mr. HAYS. Not specifically, sir. It does not address this as a major item.

STRENGTHENING DEVELOPING INSTITUTIONS

Mr. FLOOD. Let's go to title III of the Higher Education Act, strengthening of developing institutions.

Could that be used to support this instructional equipment for some institutions anyhow?

Mr. HAYS. Yes, sir.

Mr. FLOOD. To what extent?

Mr. BELL. I think that would be related to the extent that the applicant institutions elected in their strengthening process to spend it for this purpose because they find that as a deficiency. I think we should indicate that that would relate to the limited number of institutions in the program which would not address itself of course to the number that we are talking about.

Mr. FLOOD. But it could be done?

Mr. BELL. Yes.

INTERIM PERIOD FUNDING

Mr. FLOOD. About this interim period, we are stuck with that. Now there are no funds at all included in this appropriation for the interim period, July 1 through September 30, 1976. Why not?

Ms. BEEBE. I can respond to that. We have included funds for the interim period only in those programs where it was our normal practice to award grants and contracts during the first quarter of the current fiscal year.

In the programs in this appropriation we normally do not award grants and contracts in the first quarter. So therefore we have no requirements for the interim budget.

Mr. FLOOD. That is a good answer.

Mr. Michel.

REVENUE SHARING FOR PUBLIC LIBRARIES

Mr. MICHEL. Mr. Hays, what amount of general revenue-sharing funds that have gone to the States have been funneled into library construction services or library programs?

Mr. HAYS. We have statistics here on general revenue sharing as they relate to public libraries. In the first 18-month period prior to fiscal year 1974, $18.5 million of general revenue-sharing money went to support public libraries.

The analysis indicates that the majority of that $18.5 million was for construction. The period from July 1973 to June 1974, public libraries have received a total amount of dollars which is just over $82 million but we have not received the analysis of what ways and what priorities were met.

Mr. MICHEL. How many States are involved in the figures which you have just cited? Are there States that need to be prodded into providing revenue-sharing funds to the public libraries?

Ms. BEEBE. I don't have the State by State breakdown but I would be pleased to provide it for the record.

Mr. KLASSEN. I might add that the funding of public libraries with general revenue-sharing dollars is listed as a priority for local districts, counties, and townships. No State priorities are designated.

BOOKMOBILES FOR RURAL AREAS

Mr. MICHEL. I would like to make a general observation about rural area library needs before asking another question. About 30 years ago when I was out on the farm one would go into town on Saturday night and that was about it. Well, today it is a regular daily trip from the farm into town. We are now living in a different world than we did 25 and 30 years ago when it was actually essential to have bookmobiles in rural areas. That is not the case today.

LIBRARIAN TRAINING APPLICATIONS

Do the library training applications that were made mention of, come from institutions?

Mr. HAYS. Yes; the training applications would come from higher education institutions, from nonprofit entities such as State libraries, or from other library organizations or agencies oriented toward the training of librarians.

Mr. MICHEL. Are these higher education institutions applications designed to supplement their on-going library training programs or for new library training programs?

Mr. HAYS. The training applications should be for special efforts, not to just supplement the traditional curriculum. It should be noted that fellowships provide financial support to people who could not go through that graduate training without such grants. It is the same way for traineeships which would be primarily for undergraduates. Institutes would be for special projects such as higher education institutions bringing people together for a week or so period to focus in on needs for the handicapped, institutionalized or disadvantaged.

NEED FOR ADDITIONAL LIBRARIANS

Mr. MICHEL. What is the shortage of librarians in the country today?

Mr. HAYS. We feel there is no real shortage. We indicated to the chairman that the Department of Labor analysis indicates that we are about at the equilibrium point in terms of supply and demand.

I should note, however, that the needs that do exist relate primarily to specialized areas such as library automation and the provision of services to the disadvantaged by those who can relate well.

ELEMENTARY SCHOOL LIBRARIES

Mr. MICHEL. I take it that you do not take the view that every elementary school in the country ought to have its own individual library?

Mr. HAYS. We feel, as our new legislation suggests, that there could also be a better effort in the United States to share resources.

Mr. MICHEL. I do not mean by posing the question that I am critical of your having taken that stance. We did not have a library in the elementary school I attended. We walked to the library. During the last Lincoln Day recess I attended one elementary school that had a library four times the size of this room. It was the most fantastic thing I had ever seen in a disadvantaged low income area of Peoria.

I was amazed. If that library had been cut up into five or six smaller ones and distributed around to other schools it may be that much better.

HIGHER EDUCATION LIBRARY PROGRAMS

Mr. SHRIVER. You are not requesting funding for college library resources, for the undergraduate instructional equipment program, or for librarian training and demonstrations. Are each of these programs to be included in the proposed legislation to consolidate such categorical programs? When will that legislation be coming up to the hill? The existing legislation for these programs has not expired, has it?

Mr. HAYS. The Higher Education Act programs expire in fiscal year 1975. The programs to which you refer were funded under title II, college library resources; title II–B, library training and demonstrations; and title VI–A, undergraduate instructional equipment. The proposed Library Partnership Act would coalesce a number of library-related categorical programs into one legislative authority. The Act would provide discretionary support for national demonstrations of improved methods of library and information services and the promotion of the development of cost-sharing networks for sharing of resources within communities and among local, State, and regional jurisdictions. Certainly, the HEA title II–B programs could be included under the purposes of the proposed Act. The Secretary sent a letter to the Speaker of the House on March 6 recommending prompt and favorable consideration of the proposal by the Congress.

TRIGGERING OF CONSOLIDATION

Mr. SHRIVER. The amount you are requesting for libraries and instructional resources is, as you say, enough to trigger the consolidation of several categorical programs, as provided for in Public Law 93–380. Refresh my memory as to the requirement in that act in regard to this trigger.

Mr. HAYS. There are two requirements for triggering the consolidation of categorical programs under Public Law 93–380, title IV, part B, libraries and instructional resources. For the first fiscal year in which part B is effective the amount of appropriations must be at least equal to the aggregate amount appropriated for obligation by the Commissioner for the fiscal year ending June 30, 1974, or for the preceding fiscal year, whichever is higher, under title II and so much of title III as relates to testing, guidance, and counseling of the Elementary and Secondary Education Act, and under title III, except for section 305, of the National Defense Education Act of 1958. The requirement was met by the supplemental appropriation for part B of $137,330,000, in Public Law 93–554.

The second requirement is that the sums appropriated must be included in an appropriations act for the fiscal years prior to the fiscal year in which such sums will be obligated, and must be made available for expenditure as of the beginning of such fiscal year.

It is planned that the amount appropriated in Public Law 93–554 for part B will be made available for expenditure by the Department of Health, Education and Welfare as of July 1, 1975, for fiscal year 1976. Schuedules for the completion of regulations and the submission by States of annual program plans are being met and therefore it will be possible for the Department to provide timely funding.

EFFECT OF INFLATION ON CONSOLIDATED PROGRAM

Mr. Shriver. There is no provision in the act to force you to provide for cost-of-living, or inflation-related, increases on an annual basis, is there? How much would be needed, approximately, to provide for such a cost-of-living increase for this consolidated account for the period in which funds will be used? I think the administration has a projected figure on what the inflation rate will be in the next year or two. Use that figure in calculating the increase needed if we want to keep this account on the same operating level.

Mr. Hays. There is no provision in the act for cost-of-living or inflation-related increases on an annual basis. In order to provide for the cost-of-living increase for the consolidated amount for fiscal years 1976, 1977, or 1978, the increase needed, according to Gross National Product "deflator" percentages, would be $10,299,750 (7.5 percent) for fiscal year 1976; $8,926,450 (6.5 percent) for fiscal year 1977; and $7,003,830 (5.1 percent) for fiscal year 1978.

PHASE-OUT OF PUBLIC LIBRARY AID

Mr. Michel. The justifications indicate that 94 percent of the population now has access to some form of public library services, which is a pretty high percentage. Is it your contention that need has now pretty much been met, thus permitting us to phase out Federal grants for public library programs?

Mr. Hays. The annual programs for the Library Services and Construction Act submitted by the State library agencies indicate that 94 percent of the population now has access to some type of library service. It may be a central library, a neighborhood branch, a bookmobile stop, or a deposit collection changed every 6 months.

The intent of LSCA was to provide incentive moneys for the initiation of service projects for unserved populations. We continue to believe that State and local authorities bear the primary responsibility for the maintenance of public libraries. The adequacy of this day-to-day service is still considered less than adequate in many areas of the United States. Nevertheless, the Federal initiative has served to encourage States and localities to step up their efforts in providing that additional support. The success of this Federal role since the inception of Library Services and Construction Act in 1956 is attested to by the matching of $485 million Federal expenditures by more than $2 billion in State and local funds. Also, in 1956 only 23 States had programs of direct aid to local public libraries; in 1975, 38 States have such programs for local library development.

Mr. Michel. What about the disadvantaged? Are they, too, almost completely covered and have access to library services?

Mr. Hays. An estimated 28 million persons classified as disadvantaged by per capita income limits, by isolation in institutions, by physical handicaps, and by language barriers, have had access to the public library services through special projects supported by Library Services and Construction Act. It is the intent of the Federal effort that the most promising of these exemplary projects designed to provide library materials and services will be picked up by State and local authorities who bear the primary responsibility for the maintenance of public libraries.

The final fiscal year 1976 request of $10 millions would allow 10,000,000 persons to have access to special projects designed to demonstrate again new possibilities for exemplary service to this population.

Mr. MICHEL. Is the rather sharp cutback from $49 million for grants in fiscal year 1975 to $10 million in fiscal year 1976 likely to pose any significant hardship in any recipients of fiscal year 1975 funds?

Mr. HAYS. The $10 million phase-out funding will permit States to support the most promising exemplary outreach projects and to provide library materials and services to 400,000 blind and physically handicapped persons and 737,000 State institutionalized persons. Support for the latter two categories is assured through the LSCA Amendments of 1972 mandating the fiscal year 1971 level of support by States and locals in matching Federal dollars.

It should be noted that General Revenue Sharing provided $82.3 million to public libraries for services to their clientele in fiscal year 1974, the most recent year for which data are available. In addition, State appropriations for statewide public library services now encompasses 38 States with appropriations of over $80 million. In fiscal year 1975 four additional States plan to introduce legislation to provide grants-in-aid for public library services to their clientele.

PURPOSE OF PROPOSED LIBRARY ACT

Mr. MICHEL. Will you briefly summarize for us the contents of your proposed Library Partnership Act, and also the funding levels envisioned?

Mr. HAYS. The Library Partnership Act would coalesce the purposes of a number of library-related categorical programs into one legislative authority. The act would authorize grants and contracts to public and nonprofit organizations, institutions, and agencies for the support of demonstrations of improved methods of library and information services and the development of cost-saving networks for sharing of resources among library institutions. These resources could be shared within communities and among local, State, and regional jurisdictions.

The Administration anticipates submitting a separate request of $20 million for fiscal year 1978. The proposal contains authorizations for appropriations of $20 million for each of the fiscal years 1976–78.

Mr. MICHEL. Is it your hope that this bill will be adopted this year and if so do you envision requesting a supplemental appropriation which would in effect continue funding in areas where funds are not currently requested, such as interlibrary cooperation?

Mr. HAYS. On March 6, 1975, the Secretary submitted the proposed Library Partnership Act for consideration by the Congress in a letter to the Speaker of the House of Representatives. The Administration is prepared to make a supplemental request of $20 million at the proposed full authorization for fiscal year 1976.

One of the purposes of the act is to promote the development and demonstration of networks for the sharing of library resources and services which is similar to the purpose of title III of the Library Services and Construction Act.

SCHOOL LIBRARY RESOURCES

Mr. MICHEL. I know that local educational institutions have a definite interest in the programs under the newly consolidated libraries and instructional resources program, but I wonder just how effective the program has been. Have you any way to measure it?

Mr. HAYS. The last major school library resources program evaluation was completed in 1970 with final results made available in 1972. Two sets of case studies of schools receiving ESEA title II funds were completed in 1970. These studies showed that in schools receiving optimum amounts of materials, instruction and learning were changed and improved to a marked degree. In schools receiving minimal amounts of materials, the major change was in children's increased interest in reading.

There has been no recent national evaluation of the equipment and minor remodeling program or the guidance, counseling, and testing program.

If I may, I would like to submit for the record some additional program measurements of the three subparts of this consolidated program.

[The information follows:]

SCHOOL LIBRARY RESOURCES (ESEA II)

(*a*) 93 percent of the eligible public school children were served.

(*b*) 96 percent of the eligible private school children were served.

(*c*) 3 percent of the funds were used for materials for children in institutions other than regular schools, such as correctional institutions, and for bilingual children and other children with special needs.

(*d*) This program has also:

1. Supported special nontraditional curriculum areas such as ecological and environmental education, drug abuse education, and career education.
2. Broadened and increased school curriculum offerings.
3. Changed teaching techniques by making so much more supplementary materials available (including audiovisual materials).
4. Strengthened reading programs and improved attitudes toward study.
5. Transformed school libraries into multimedia centers.

EQUIPMENT AND MINOR REMODELING (NDEA III)

(*a*) About 9,800 local educational agencies participated (62 percent).

(*b*) About 84.3 percent of the public school children were in participating local educational agencies.

(*c*) Use of the funds among the 12 academic subject areas was highest for:

	Percent
English and reading	31.0
Science	25.1
Social studies (geography, history, civics, economics)	15.1

(*d*) This program has also:

1. Supported curricular change such as added courses of units in legal and political education, consumer and career education, nuclear physics, creative writing and contemporary poetry, inter-disciplinary studies in the arts and humanities, for example.
2. Provided or improved equipment for science, mathematics, and modern foreign language laboratories, industrial arts shops, remedial reading.
3. Provided reference and audiovisual materials for all the academic subjects.
4. Made possible changes in instruction such as individual pupil use of pocket calculators, digital computers, audiovisual materials, and provided elementary school science experiences for pupils.

There has been no recent national evaluation of this program. However, States have reported individually on the impact of the new and additional equipment and materials, and have indicated that the local educational agencies continue to request more funds than can be made available. This shows a continuing need.

GUIDANCE, COUNSELING, AND TESTING (PART OF ESEA III)

Fiscal year 1975 measurements include the following:

(*a*) 3,400 public elementary and 7,000 secondary school guidance counselors participated.

(*b*) 300 private elementary and 220 secondary school guidance counselors participated.

(*c*) 2,000,000 children were served directly through local educational agencies by guidance and counseling services.

(*d*) 6,000,000 children participated in testing programs.

There has been no recent national evaluation of this program. However, the National Advisory Council on Supplementary Centers and Services recounts the results of several projects. Among them is one in four elementary schools where 60 percent of the pupils lived in an area with the highest student-police contact rate in the city and 16 percent of the pupils were reading below their ability level. The project conducted parent and teacher workshops in constructive methods for changing children's behavior, made rooms available for group and individual counseling and to serve as "motivational centers" for special activities. Vandalism at the schools decreased by 18 percent over the previous year, experimental pupils made greater gains in reading than those in control schools, and the average rate of police contact per school decreased.

AID FOR PRIVATE SCHOOLS IN FISCAL YEAR 1975

Mr. MICHEL. Of the approximately $135 million to be made available this year for the various categorical programs under the overall program, about how much will go to private and parochial schools? How much of the $95 million for school library resources will go to private and parochial schools?

Mr. HAYS. One of the measures for equitable treatment of children in nonprofit private schools is comparable expenditures. Therefore, of the consolidated portion of $68,665,000 for libraries and instructional resources in fiscal year 1976, probably about 10 percent or $6,866,500 will be used for materials, equipment, and services for private school children. Approximately 10 percent of the $46,600,000 available for ESEA title II categorical portion in fiscal year 1976 will also be use to benefit private school children by providing for their use of school library resources, textbooks, and other instructional materials.

JOB MARKET FOR LIBRARIANS

Mr. MICHEL. Where do we stand now with respect to library personnel? Does the supply now meet the need?

Mr. HAYS. A recent Bureau of Labor Statistics study indicates that the job market for librarians has been tight since 1970. An analysis of factors today points to a marked slowdown for library occupations over the 1970–85 period, with any increase occurring after 1980. The study projects 11,200 openings for librarians per year to 1985. New graduates filling these jobs are estimated to be 9,000 per year to 1985. The estimated number of jobs to be filled by delayed entrants and reentrants over this same period is 2,200 per year. As you can see, the overall supply-demand cycle for librarians has reached a certain state of equilibrium.

Mr. FLOOD. All right, gentlemen, we will recess and reconvene at 2 o'clock this afternoon.

Appropriation Estimate

LIBRARY RESOURCES

For carrying out, to the extent not otherwise provided, [titles I ($49,155,000) and III ($2,594,000)] 1/ *title I ($10,000,000)* of the Library Services and Construction Act (20 U.S.C. ch. 16); and [title II (except section 231) and title VI ($7,500,000) of the Higher Education Act; 1/ $72,224,000] *title IV, part B ($137,330,000) of the Elementary and Secondary Education Act; $147,330,000: Provided, That the amount appropriated above for title IV, part B of the Elementary and Secondary Education Act shall become available for obligation on July 1, 1976, and shall remain available through September 30, 1977.*

[For carrying out title II of the Elementary and Secondary Education Act, $95,250,000.] 2/

NOTE: Additional funds are not required for the interim period of July 1, 1976, through September 30, 1976.

(Additional authorizing legislation to be proposed for $20,000,000.)

Explanation of Language Changes

1. Language has been deleted for activities for which funding is not requested in 1976, i.e., interlibrary cooperation (LSCA III), college library resources (HEA II-A), librarian training (HEA II-B), library demonstrations (HEA II-B), and undergraduate instructional equipment (HEA VI-A).

2. The school library resources program (ESEA II) is now a part of the consolidated program of libraries and instructional resources (ESEA IV-B) for which $137,330,000 is requested herein.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Library Resources

Amounts Available for Obligation

	1975 Revised	1976	1976 Advance for 1977
Appropriation	$167,474,000	$ 10,000,000	$137,330,000
Proposed rescission	-52,224,000	---	---
Subtotal, adjusted appropriation	115,250,000	10,000,000	137,330,000
Comparative transfer from:			
"Elementary and secondary education" for libraries and instructional resources	40,330,000	137,330,000	---
Subtotal, budget authority	155,580,000	147,330,000	137,330,000
Unobligated balance, start of year	5,223,604	238,398	238,398
Unobligated balance, end of year	-238,398	-238,398	-238,398
Total, obligations	160,565,206	147,330,000	137,330,000

Summary of Changes

1975 Estimated obligations....................................	$212,789,206
Less: Proposed rescission....................................	-52,224,000
Subtotal, 1975 revised obligations..................	160,565,206
1976 Estimated obligations....................................	147,330,000
Net change	-13,235,206
1976 Advance for 1977, estimated obligations..................	137,330,000

	1975 Base	Change from Base	1976 Base	Change from Base
Increase:				
Program:				
1. Libraries and instructional resources (consolidated program)	$ ---	$+137,330,000	$137,330,000	$ ---
Decreases:				
Program:				
1. Grants for public libraries	25,000,000	-15,000,000	10,000,000	-10,000,000
2. Public library construction....	4,213,015	- 4,213,015	---	---
3. School library resources.......	90,250,000	-90,250,000	---	---
4. Equipment and minor remodeling......	21,500,000	-21,500,000	---	---
5. Guidance, counseling and testing	18,830,000	-18,830,000	---	---
6. Undergraduate instructional equipment.......	772,191	-772,191	----	---
Total decreases		-150,565,206		-10,000,000
Total, net change		-13,235,206		-10,000,000

Explanation of Changes

Increase:

Program:

1. Libraries and instructional resources (consolidated program)--The funds to initiate this program in 1976 were provided by the Congress as advance funding in 1975. The funding level requested for 1977 is the same as in 1976.

Decreases:

Program:

1. Grants for public libraries--The 1976 budget is requesting phase-down funding for this program at the level of $10,000,000. It is anticipated that the States and localities will continue to expand their funding levels as their individual needs require.

2. Public library construction--No funds were appropriated for this program in 1975. The amount represents the unobligated carryover funds from 1973.

3.) The decreases shown above for school library resources, equipment and minor
4.) remodeling, and guidance, counseling, and testing have already been agreed
5.) to by the Congress, as these programs were consolidated into the libraries and instructional resources program and are therefore terminated as separate programs beginning in 1976.

6. Undergraduate instructional equipment--The revised 1975 level for this program is zero. The amount of $772,191 represents the unobligated carryover funds from 1973.

Obligations by Activity

Page Ref.		1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
	Public libraries:				
	(a) Services:				
128	(1) Grants for public libraries..........	$49,155,000	$25,000,000	$10,000,000	$-15,000,000
131	(2) Interlibrary cooperation........	2,594,000	---	---	---
---	(b) Construction..........	4,213,015	4,213,015	---	- 4,213,015
133	Libraries and instructional resources.................	135,580,000	130,580,000	137,330,000	+ 6,750,000
	(1976 advance for 1977)...			(137,330,000)	
138	College library resources..	9,975,000	---	---	---
	Training and demonstrations:				
140	(a) Librarian training....	2,000,000	---	---	---
142	(b) Library demonstrations	1,000,000	---	---	---
144	Undergraduate instructional equipment................	8,272,191	772,191	---	- 772,191
	Total obligations..............	212,789,206	160,565,206	147,330,000	-13,235,206
	(1976 advance for 1977).......			(137,330,000)	

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Grants, subsidies, and contributions.............	$212,789,206	$160,565,206	$147,330,000	$-13,235,206
(1976 advance for 1977)...			(137,330,000)	
Total obligations by object	212,789,206	160,565,206	147,330,000	-13,235,206
(1976 advance for 1977)...			(137,330,000	

Significant Item in the Senate Appropriations Committee Report

Item	Action taken or to be taken
Grants to States for older readers services Committee encouragement toward the expansion of library services to the elderly.	The Department feels that the States may use, as they deem necessary, funds from grants for public libraries (LSCA I) for special clientele groups.

Authorizing Legislation

	1976		1976 Advance for 1977	
	Authorized	Appropriation Requested	Authorized	Appropriation Requested
Library Services and Construction Act:				
Title I--Grants for public library services..........	$137,150,000	$ 10,000,000	N.A.	
Title II--Construction of public libraries..........	97,000,000	---	N.A.	
Title III--Interlibrary cooperation...............	18,200,000	---	N.A.	
Title IV--Grants to States for older readers services	Indefinite	---	N.A.	
Elementary and Secondary Education Act:				
Title IV-B--Libraries and instructional resources...	395,000,000	137,330,000[1]	Indefinite	$137,330,000
Higher Education Act:				
Title II, Part A--College library resources.........	70,000,000 2/	---	N.A.	
Title II, Part B, Section 222--Librarian training...	(30,000,000 2/	---	N.A.	
Title II, Part B, Section 223--Library demonstrations.....................				
Title VI, Part A--Undergraduate instructional equipment.................	70,000,000 2/	---	N.A.	

1/ Advance appropriation realized through fiscal year 1975 Supplemental Appropriation Act, P.L. 93-554.

2/ Authorization based on one-year extension under GEPA.

N.A. - Not Applicable

Library Resources

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966	$320,700,000	$288,200,000	$288,200,000	$288,200,000
1967	291,500,000	310,000,000	311,300,000	332,000,000
1968	298,800,000	298,257,000	339,257,000	312,005,000
1969	187,144,000	99,894,000	260,394,000	246,384,000
1970	41,880,000	214,305,000	245,555,000	153,382,250
1971	131,430,000	161,680,000	254,765,000	200,772,000
1972	107,250,000	167,709,000	296,709,000	226,209,000
1973	140,587,000	202,357,000	292,357,000	265,157,000
1974	---	201,209,000	219,209,000	191,624,000
1975	137,000,000	173,974,000	223,607,000	189,224,000
1975 Proposed Rescission	52,224,000			
1975 Advance for 1976	137,330,000	137,330,000	137,330,000	137,330,000
1976	10,000,000 1/			
1976 Advance for 1977	137,330,000			

1/ Does not include $20,000,000 to be requested for proposed legislation.

Justification

Library Resources

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Public libraries:				
(a) Grants for public libraries......	$ 49,155,000	$ 25,000,000	$ 10,000,000	$ -15,000,000
(b) Interlibrary cooperation....	2,594,000	---	---	---
Libraries and instructional resources:				
(a) Consolidated program...........	---	---	137,330,000	+137,330,000
(1976 advance for 1977)......			(137,330,000)	
(b) School library resources......	95,250,000	90,250,000	---	-90,250,000
(c) Equipment and minor remodeling............	21,500,000	21,500,000	---	-21,500,000
(d) Guidance, counseling, and testing............	18,830,000	18,830,000	---	-18,830,000
College library resources............	9,975,000	---	---	---
Training and demonstrations:				
(a) Librarian training............	2,000,000	---	---	---
(b) Library demonstrations......	1,000,000	---	---	---
Undergraduate instructional equipment.....	7,500,000	---	---	---
Total............	207,804,000*	155,580,000*	147,330,000	-8,250,000
(1976 advance for 1977)......			(137,330,000)	

*Excludes 1973 appropriation restorations.

General Statement

This appropriation includes the major library-related program administered within the U.S. Office of Education, affecting public libraries, elementary and secondary school libraries, and academic libraries. It also includes librarian training, the library demonstrations program, and the undergraduate instructional equipment program.

The 1976 budget provides $10,000,000 for library resources, and also includes separately a request for funding of proposed new library legislation. These funds represent another step in the proposed phase-down of Federal support for grants to States for public library services. It is proposed that the Federal role in libraries will shift to the proposed new legislation, which is designed to demonstrate effective library practices and to encourage and support cooperative library service patterns at the local, State and regional levels. Therefore, no funds are requested for the interlibrary cooperation and library demonstrations programs.

An advance appropriation in 1975 for use in 1976 provided the initial funding for libraries and instructional resources (ESEA title IV-B), thereby consolidating within a single authorization the programs of school library resources (ESEA II), equipment and minor remodeling (NDEA III), and guidance, counseling and testing (one part of ESEA III). The consolidation was authorized to take place in two steps. During the first year, 50 percent of the funds are available for each of the specific categorical purposes and the remaining 50 percent are used on a consolidated basis, with State and local authorities determining the specific use of funds. In subsequent years, all of the funds are to be used at the discretion of State and local authorities.

No funds are being requested in fiscal year 1976 for the college library resources program, the librarian training program, and the undergraduate instructional equipment program. It is the Office of Education's general higher education policy to focus on student assistance, rather than on institutional support and specialized training programs.

A proposed rescission of $52,224,000 out of the fiscal year 1975 appropriation is now before the Congress. It covers seven of the programs contained in this appropriation.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Public libraries				
(a) Grants for public libraries	$49,155,000	$25,000,000	$10,000,000	-$15,000,000

Narrative

Program Purpose

To promote the extension and improvement of public library services in areas without such services or with inadequate services, to improve State library service for the physically handicapped, institutionalized and disadvantaged persons, to strengthen State library administrative agencies, and to strengthen metropolitan libraries which serve as regional resource centers, grants to States are authorized by title I of the Library Services and Construction Act (LSCA).

Grants are made to States on a formula based on total resident population, but with a $200,000 minimum for the 50 States, D.C., and Puerto Rico, and a $40,000 minimum for the other outlying areas. The Federal share is 33 percent to 66 percent (except Trust Territory which is 100 percent Federally funded), and States must provide matching funds in proportion to their per capita income.

Plans for fiscal year 1976

Although LSCA, title I funds have become more concentrated on the disadvantaged and previously unserved groups and have supported many innovative service projects which could not have been initiated locally, the budget is based on the view that the Federal Government should not provide indefinite operational support. We are therefore requesting $10,000,000 for LSCA, title I in fiscal year 1976 continuing the phase-out of Federal support for this type of public library aid, while shifting Federal support to the proposed new Library Partnership Act.

This phase-out funding, proposed in fiscal year 1975, will permit States to support the most promising exemplary outreach projects and to provide library materials and services to the blind, physically handicapped, and the institutionalized, including inmates of penal institutions. It will also give additional time and funds for a reasonable conversion to increased local and State support for public library programs.

Federal Revenue Sharing funds used for public libraries by State and local governments have increased greatly since the program was initiated, with over $82,000,000 being used for this purpose during fiscal year 1974.

Since 1956 when the public library program was established, Federal assistance has stimulated the expansion and improvement of library services throughout the country to the extent that, today, about 94 percent of the population has access to some form of public library services.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974, the appropriation was $44,155,500; in addition, $32,000,000 of the fiscal year 1973 appropriation was available in fiscal year 1974. This made a total of $76,155,500 available.

Leadership at the Federal level assisted and encouraged the State library agencies in the shifting of Federal dollars from support of public library services for the general population toward the provision of such service to special clientele; about 28,000,000 disadvantaged persons had access to new or improved library services.

More than 400,000 blind and physically handicapped persons used large-print books, special equipment and specially trained public library personnel in providing specialized services and about 800,000 prisoners, patients and other institutionalized persons received LSCA, title I library services in fiscal year 1974.

The fiscal year 1975 appropriation of $49,155,000 is proposed to be reduced by $24,155,000 through rescission. The revised level for fiscal year 1975 of $25,000,000 provides funds concentrating LSCA, title I services on 20,000,000 disadvantaged persons and continued the provision of services to 400,000 blind and physically handicapped and 737,000 State institutionalized persons.

SUPPLEMENTAL FACT SHEET

Grants for Public Libraries

	FY 1974 Actual	FY 1975 Revised	FY 1976 Estimate
Appropriations	$44,155,500	$25,000,000	$10,000,000
Federal dollars available to States	76,155,500[1/]	25,000,000	10,000,000
Disadvantaged persons served through special library projects.	28,000,000	20,000,000	10,000,000
State institutionalized persons served through this program.	800,000	737,000	737,000
Blind and physically handicapped persons served through this program.	400,000	400,000	400,000

Other data

Out of a total population of approximately 206,000,000, about 193,000,000 (94 percent) have access to the services of public libraries.

In 1956, at the time of enactment of the Library Services Act, 23 States had programs for statewide public library development. Expenditures under these programs amounted to $5 million. Now there are 38 States with grant-in-aid programs, with appropriations of over $80 million.

The amount of Federal Revenue Sharing funds used for public libraries by State and local governments was over $82,000,000 in fiscal year 1974.

[1/] Includes $32,000,000 of 1973 appropriated funds which were released in fiscal year 1974, thereby making $76,155,500 available for expenditure in FY 1974. Work-load data reflect sums available to the States for applicable fiscal year.

	1975 Estimate	1975 Revised	1976 Estimate	$ Increase or Decrease
Public libraries:				
(b) Interlibrary cooperation	$2,594,000	---	---	---

Narrative

Program Purpose

To provide a systematic and effective coordination of resources of school, public, academic, and special libraries and information centers to develop a more economical operation and, in turn, provide better service to all users, title III of the Library Services and Construction Act, as amended, authorizes grants to States for establishing and maintaining local, State, interstate and/or regional cooperative networks of libraries.

Grants are made according to a formula based on total resident population. No State matching is required.

Plans for fiscal year 1976

The Nation's libraries, involved in cooperative projects of library and information service, have successfully proven the value of cooperative local, State and regional projects and networks in increasing services and dollar effectiveness. Support for similar activities will be available under broader new legislation, the Library Partnership Act, which is proposed to replace this authority. Therefore no funds are requested for LSCA, title III in fiscal year 1976.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974, the appropriation was $2,593,500. In addition, $4,770,000 of the fiscal year 1973 appropriation was released for expenditure in 1974, thereby making a total of $7,363,500 title III funds available. These funds provided support for cooperative networks, involving 10,500 public, school, academic and special libraries. Projects include such cooperative efforts as telecommunication networks for reference, bibliographic services, and interlibrary loan; centralized acquisition and processing; centralized cataloging; comprehensive state-wide planning; education for the administration of interlibrary network activities; and interstate cooperation.

The fiscal year 1975 appropriation of $2,594,000 is proposed for rescission.

SUPPLEMENTAL FACT SHEET

Interlibrary Cooperation

	FY 1974 Actual	FY 1975 Revised	FY 1976 Estimate
Appropriation..................	$2,593,500	---	---
Federal Funds Available to the States	$7,363,500[1/]	---	---
Number of Libraries Involved in Cooperative Projects.......	10,500	---	---

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1/ Of the $7,500,000 appropriated in FY 1973, $4,770,000 was released in FY 1974. Workload data reflect sums available to the States for applicable fiscal year.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Libraries and instructional resources:				
(a) Consolidated program (1976 advance for 1977)	$ ---	$ ---	$137,330,000[1] (137,330,000)	$+137,330,000
(b) School library resources..........	95,250,000	90,250,000	---	- 90,250,000
(c) Equipment and minor remodeling.........	21,750,000	21,750,000	---	- 21,750,000
(d) Guidance, counseling, and testing........	18,830,000	18,830,000	---	- 18,830,000
Total.................... (1976 advance for 1977)	135,830,000	130,830,000	137,330,000 (137,330,000)	+ 6,500,000

[1] Fifty percent is to be used for the consolidation program, fifty percent for the other subactivities.

Narrative

Program Purpose

Title IV of the Elementary and Secondary Education Act as amended by P.L. 93-380 in 1974 authorizes grants to States for library and instructional resources, including guidance, counseling, and testing. This activity consolidates into a single authorization the following existing programs: school library resources (ESEA II), equipment and minor remodeling (NDEA III), and the guidance, counseling, and testing portion of the supplementary services program (ESEA III). The Act requires that advance funding be in effect for any year in which consolidation applies and that the consolidation may not take place unless the amount is equal to or greater than the total funds appropriated the previous year for the programs to be consolidated. The estimates for 1976 and 1977 contain sufficient funds to trigger the consolidation. The Act further requires that of the funds appropriated for fiscal year 1976 for consolidation, 50 percent shall be available to the States to carry out Part B. The remainder of such funds shall be available to the States under the authorities listed above.

Funds will be distributed to the States on the basis of the proportionate number of children in each State who are ages five through seventeen, as compared to the total of such children in all States, after approximately one percent is withdrawn for allocation to the outlying areas, the Department of Interior (Indian Education) and the Department of Defense (Dependent Children's schools). The States in turn distribute funds to the districts according to enrollment in public and private schools, and in relation to local tax effort for education and numbers of children whose education imposes a higher than average cost. Of the allotted amount, 95 percent is for the use of the local school districts and the other 5 percent may be used at the State level. Local educational agencies have complete discretion in determining how funds will be divided among various programs. Title IV requires equitable participation of children and teachers in private nonprofit elementary and secondary schools.

This consolidation is designed to eliminate narrow categorical grant programs and provide the States and local education agencies greater flexibility and responsibility in determining their own educational priorities and funding needs. Moreover, advance funding, which is included in this request, will enable the States to plan more efficiently and effectively by knowing a year in advance what Federal assistance will be available under this program.

Plans for fiscal years 1976 and 1977

The amount of $137,330,000 was appropriated in fiscal year 1975 for use in fiscal year 1976, and the same amount is being requested in 1976 as advance funding for use in 1977. These funds are sufficient to trigger consolidation.

In fiscal year 1977 (school year 1976-1977), the amount of $137,330,000 will be used entirely on a consolidated basis at the discretion of local education authorities for the first time. It is expected that these funds will provide the same opportunities for benefits as the separate categorical programs have been providing.

Beginning with fiscal year 1976 (school year 1975-1976), the libraries and instructional resources consolidation will be advance funded at a level of $137,330,000. Fifty percent of these funds will be made available pursuant to title IV-B, ESEA, and fifty percent will be earmarked for school library resources, equipment and minor remodeling, and the guidance, counseling and testing portion of ESEA III. It is expected that these funds will provide the same opportunities for benefits as the separate categorical programs did in the previous years. The restructuring will provide local authorities greater responsibility in determining their own educational priorities and flexibility for focusing funds on these needs.

Children in private, non-public schools must be provided equal opportunity to participate in these programs. For the first time, the opportunity to use borrowed instructional equipment has been extended to non-public school children. Formerly, under the equipment and minor remodeling program (NDEA III), loans were available to private schools for the actual purchase of this equipment and for minor remodeling needed in connection with its use.

Accomplishments in fiscal years 1974 and 1975

Although the consolidated program of libraries and instructional resources (ESEA title IV-B) was not authorized during this period, the separate categorical programs were authorized and funded.

For school library resources (ESEA II), the fiscal year 1974 and 1975 revised levels are the same--$90,250,000. For equipment and minor remodeling (NDEA III), the fiscal year 1974 level was $28,500,000 and the 1975 appropriation was $21,750,000, with no proposed rescission. For the guidance, counseling, and testing portion of supplementary services (ESEA III), the program levels for both 1974 and 1975 are the same--$18,830,000.

Program output measurements are enumerated on the following Supplemental Fact Sheets.

SUPPLEMENTAL FACT SHEET

Libraries and Instructional Resources Grants [1]
School Library Resources, Textbooks and Other Instructional Materials

Output Measures	FY 1974 Actual	FY 1975 Revised
Public elementary and secondary students benefitted	41,850,000	41,350,000
Private elementary and secondary students benefitted	4,608,000	4,508,000
Acquisitions and administration (obligations): [2] [3]		
(1) School library resources	$77,134,283	$77,150,000
(2) Other instructional materials	4,400,000	4,400,000
(3) Textbooks	1,000,000	1,000,000
(4) Processing	3,200,000	3,200,000
(5) State administration	4,500,000	4,500,000
Total obligations	90,234,283	90,250,000

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[1] The appropriation for FY 1974 for this categorical program was $90,250,000. The FY 1975 appropriation was $95,250,000. However, the revised FY 1975 level is $90,250,000 with $5,000,000 proposed for rescission.

[2] Approximately half of the funds used for acquisitions is classified as printed materials, the other half is audiovisuals.

[3] These figures are adjusted to include funds carried over as authorized by the Tydings Amendment.

SUPPLEMENTAL FACT SHEET

Libraries and Instructional Resources Grants[1]
Equipment and Minor Remodeling

Output Measures	FY 1974 Actual	FY 1975 Revised
Number of States and outlying areas participating......................	57	57
Number of local educational agencies participating......................	9,800	9,800
Number of children benefitted.......	39,300,000	39,300,000
Number of private nonprofit schools with loans approved................	6	15
Range of loans approved............	$2,900 to $31,300	$15,000 Average

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1/ The appropriation for FY 1974 for this categorical program was $28,500,000. The FY 1975 appropriation was $21,750,000.

SUPPLEMENTAL FACT SHEET

Libraries and Instructional Resources Grants[1]
Guidance, Counseling and Testing

Output Measures	FY 1974 Actual	FY 1975 Revised
Jurisdictions (States and outlying areas) participating..	56	56
Public elementary school counselors participating..	3,000	3,400
Private elementary school counselors participating..	297	300
Public secondary school counselors participating..	7,000	7,000
Private secondary school counselors participating..	219	220
Students served directly through local education agencies by guidance and counseling projects..........	2,000,000	2,000,000
Students participating in testing programs..............	6,000,000	6,000,000

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[1] The appropriation for each of fiscal years 1974 and 1975 for this categorical program was $18,830,000.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
College library resources	$9,975,000	---	---	---

Narrative

Program Purpose

To provide support to institutions of higher education for the acquisition of library resources (including law library resources), such as books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials and other related materials (including necessary binding), title II, part A, of the Higher Education Act, as amended, authorizes grants to eligible institutions of higher education and other public and private non-profit library institutions.

Three types of grants can be awarded: (1) basic grants up to $5,000 to every eligible institution; (2) supplemental grants up to $20 per student with no matching required; and (3) special-purpose grants which must be matched with $1 institution money for every $3 Federal money. Basic grants must be awarded first priority.

Plans for fiscal year 1976

Since 1966, over $135,500,000 in Federal funds have been obligated for the purchase of college library materials. These funds provided for more than 15,000 basic grants, over 7,000 supplemental grants and about 500 special-purpose grants to eligible institutions. The legislation expires in fiscal year 1975. No funds are requested for this program in fiscal year 1976 in keeping with the shift of Federal dollars away from narrow institutional aid programs toward student support.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974, the appropriation was $9,975,000, a decrease of $2,525,000 from the 1973 level. These funds supported 2,377 basic grants of which 2,314 were awarded at the maximum of $4,235 and 63 were awarded at less than the maximum. Special-purpose or supplemental grants were not awarded in fiscal year 1974. In addition, two basic grants, totaling $6,655 were awarded for fiscal year 1974 from fiscal year 1973 carryover funds.

The fiscal year 1975 appropriation of $9,975,000 is proposed for rescission.

SUPPLEMENTAL FACT SHEET

College Library Resources

Funds Awarded by Type of Grant

Fiscal Year	Basic		Supplemental		Special-Purpose		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1966	1,830	$ 8,413,574	---	$ ---	---	$ ---	1,830	$ 8,413,574
1967	1,989	9,612,865	1,266	11,316,782	132	3,577,040	3,387	24,506,687
1968	2,111	10,294,709	1,524	10,764,524	60	3,449,986	3,695	24,509,219
1969	2,224	10,929,161	1,747	10,318,415	77	3,750,000	4,048	24,997,576
1970[1]	2,201	5,484,976	1,783	4,331,024	---	---	3,984	9,816,000
1971	548	2,698,383	531	5,574,730	116	1,620,287	1,195	9,893,400
1972	504	2,509,970	494	6,833,030	58	1,650,000	1,056	10,993,000
1973	2,061	10,105,446	---	---	65	2,299,554	2,126	12,405,000
1974	2,379	9,966,855[2]	---	---	---	---	2,379	9,966,855
1975[3]	---	---	---	---	---	---	---	---
1976	---	---	---	---	---	---	---	---
Total	15,847	70,015,939	7,345	49,138,505	508	16,346,867	23,700	135,501,311

[1] Basic grants not to exceed $2,500 each.

[2] Includes $6,655 of unobligated carryover 1973 funds awarded in two basic grants of $5,000 and $1,655, respectively.

[3] Revised level assuming rescission of $9,975,000 appropriated.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Training and demonstrations:				
(a) Librarian training.....	$2,000,000	---	---	---

Narrative

Program Purpose

To support the training of paraprofessionsals and professionals in library and information science for services to all types of libraries, grants may be made for fellowships, traineeships, and short- and long-term training institutes for library personnel; Title II, Part B, of the Higher Education Act, as amended, authorizes grants to institutions of higher education and library organizations or agencies.

The Education Amendments of 1972 required that not less than 50 percent of the funds for such training be used to support fellowships and traineeships. In addition, the amendments required a statutory distribution of funds between the college library resources, library training and demonstrations programs. Of the amount appropriated for library training and demonstrations under Title II-B, 66-2/3 percent must be used for library career training.

Plans for fiscal year 1976

No funds are requested for this program in fiscal year 1976. It is proposed that Federal support continue to shift in fiscal year 1976 from the various categorical training programs to a broader student assistance program. In this manner, students will determine the selection of institution and area of study that will best meet their individual needs, including training in librarianship.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974, the appropriation was $2,850,000, a decrease of $722,000 from the fiscal year 1973 level. The obligated funds supported the training and retraining through 235 fellowships or traineeships, and about 1,339 institute participants. In most cases, awards made in fiscal year 1974 will support training during the 1974-75 academic year.

The fiscal year 1975 appropriation of $2,000,000 is proposed for rescission.

SUPPLEMENTAL FACT SHEET

Librarian Training

	FY 1974 Actual			
	No. Trained	Federal Dollars	FY 1975 Revised	FY 1976 Estimate
Fellowships/traineeships	235		---	---
Federal dollars student support...		$ 811,180	---	---
Federal dollars institutional support.........................		713,450	---	---
Total......................		1,524,630	---	---
Institute participants	1,339		---	---
Federal dollars student support...		383,952	---	---
Federal dollars institutional support.........................		936,312	---	---
Total......................		1,320,264	---	---
Summary				
Fellowships/traineeships and institute participants..........	1,574		---	---
Federal dollars student support...		1,195,132	---	---
Federal dollars institutional support.........................		1,649,762	---	---
Summary Total.............		2,844,894	---	---

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Training and demonstrations:				
(b) Library demonstrations	$1,000,000	---	---	---

Narrative

Program Purpose

To provide for research and demonstration projects for the development of new techniques and systems for processing, storing, and distributing information, and for the dissemination of information derived from such projects, title II, part B, of the Higher Education Act, as amended, provides for grants and contracts to institutions of higher education, and other public or private agencies, institutions, and organizations.

The Education Amendments of 1972 require a statutory distribution of funds among the college library resources, general library training and demonstration programs. Of the amount appropriated for library demonstrations and training under title II-B, 33-1/3 percent must be used for library demonstration activities.

Plans for fiscal year 1976

No funds are requested for this authority in fiscal year 1976. The demonstration projects funded by this program will be eligible for support under the new library legislative initiative, the Library Partnership Act.

Accomplishments in fiscal years 1974 and 1975

The fiscal year 1974 appropriation of $1,425,000 supported 20 demonstration projects averaging about $71,000 each. Priority was accorded those demonstration projects that were directed toward the provision of quality educational opportunities for economically disadvantaged people, or those for whom the traditional school and college-based educational experience have not proved effective. Priority was also given to those demonstration projects that offer new methods and alternatives for the provision of improved informational services.

In fiscal year 1974, this program supported the continuation of nine on-going demonstration projects including: (1) the innovative, multi-media community learning center launched in Philadelphia, Pennsylvania; (2) the demonstration of exemplary library service to the American Indian and the Spanish-Speaking; and (3) the non-traditional study demonstration conducted by the College Entrance Examination Board in New York. The funds also supported eleven new starts.

In fiscal year 1975, the appropriation of $1,000,000 is proposed for rescission.

SUPPLEMENTAL FACT SHEET

Library Demonstrations

	FY 1974 Actual	FY 1975 Revised	FY 1976 Estimate
Subject Categories			
Institutional cooperation to serve special target groups	8	---	---
Functional development: Reader services: processing, including acquisitions, cataloging, classification, etc	5	---	---
Planning and development	2	---	---
Education and training	5	---	---
Total	20	---	---
Sponsoring Organizations			
Universities and colleges	9	---	---
Non-profit organizations	7	---	---
Public libraries	3	---	---
Local school districts	1	---	---
Total	20	---	---

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Undergraduate instructional equipment..................	$7,500,000	---	---	---

Narrative

Program Purpose

To assist in the improvement of undergraduate programs through the purchase of instructional equipment (including closed-circuit TV) and materials and through minor remodeling, grants are awarded under title VI, part A, of the Higher Education Act to institutions of higher education.

Funds are allotted to the States by a formula based on higher education enrollment and per capita income. State Commissions rank applications submitted by the institutions and recommend the Federal share which, except in certain instances, cannot exceed 50 percent of the total project cost.

Plans for fiscal year 1976

No funds are requested for this program in fiscal year 1976. Since this program began in fiscal year 1966, a total of 7,600 grants have been awarded through the appropriation of more than $102,000,000. Hereafter, it is proposed that Federal support for institutions of higher education will be concentrated on students who will carry the funds to the institution of their choice. The authorizing legislation for this program expires in fiscal year 1975.

Accomplishments in fiscal years 1974 and 1975

In fiscal year 1974, $24,375,000 was made available to institutions of higher education for this program. These funds included the fiscal year 1974 appropriation of $11,875,000 plus the fiscal year 1973 appropriation of $12,500,000 released in fiscal year 1974. The obligated funds supported 1,998 grants to approximately 950 institutions of higher education.

The fiscal year 1975 appropriation of $7,500,000 is proposed for rescission.

SUPPLEMENTAL FACT SHEET

Undergraduate Instructional Equipment

	FY 1974 Actual	FY 1975 Revised	FY 1976 Estimate
Category I (Instructional equipment, materials, minor remodeling):			
% of Total obligation......................	88%	---	---
No. of grants	1,607	---	---
Total amount of obligation..................	$20,684,475	---	---
Category II (Closed-circuit television equipment, materials and minor remodeling):			
% of Total obligation......................	12%	---	---
No. of grants..............................	391	---	---
Total amount of obligation.................	$ 2,842,484	---	---
Total obligations......................	$23,526,959	---	---

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: Public Libraries

(a) Grants for public libraries (Library Services and Construction Act, Title I)

1975		1976	
Estimate	Revised	Authorization	Budget Estimate
$49,155,000	$25,000,000	$137,150,000	$10,000,000

Purpose: Title I of the Library Services and Construction Act authorizes grants to States to promote the extension and improvement of public library services in areas without such services or with inadequate services; to improve State library services for the physically handicapped and institutionalized; to improve public library services for disadvantaged persons; to strengthen State library administrative agencies; and to strengthen metropolitan libraries which serve as regional resource centers.

Explanation: Grants are made to States on a formula based on total resident population. The Federal share ranges from 33 percent to 66 percent, except for the Trust Territory which is 100 percent Federally funded, and States must match in proportion to their per capita income.

Accomplishments in 1975: In fiscal year 1975, $25,000,000 was made available to the States for library services. Support of library services to the State institutionalized and the physically handicapped is being maintained. Emphasis has been on support of programs to serve the disadvantaged and on Statewide projects designed to alleviate inequities with respect to access to knowledge and information.

Objectives for 1976: In fiscal year 1976, the appropriation request is $10,000,000 a reduction of $15,000,000 below the 1975 level. These funds are intended to be another step in a proposed phase-down of Federal support for this type of library aid. New legislation for the support of libraries is being proposed. This legislation will be designed to demonstrate effective library practices and to encourage and support cooperative library service patterns at the local, State and regional levels.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: Public Libraries

(b) Interlibrary cooperation (Library Services and Construction Act, Title III)

1975		1976	
Estimate	Revised	Authorization	Budget Estimate
$2,594,000	---	$18,200,000	---

Purpose: Title III of the Library Services and Construction Act authorizes grants to States for establishing and maintaining local, State and regional cooperative networks of libraries.

Explanation: Grants are made to States on a formula based on total resident population. The Federal share is 100 percent.

Accomplishments in 1975: A rescission is proposed of the $2,594,000 appropriated for this program. A supplemental appropriation will be requested in 1975 upon enactment of proposed legislation which will subsume this program.

Objectives for 1976: No funds are recommended for this program in 1976. Proposed new legislation will encourage support for cooperative activities among all types of libraries at the local, State and regional levels.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: Libraries and Instructional Resources (Elementary and Secondary Education Act, Title IV-B)

	1976 Advance for 1977	
1976	Authorization	Budget Estimate
$137,330,000	Indefinite	$137,330,000

Purpose: Title IV-B of the Elementary and Secondary Education Act is a consolidation of the following categorical programs: school library resources (ESEA II), equipment and minor remodeling (NDEA III), and guidance, counseling and testing of the supplementary services program (ESEA III). Funds appropriated for use in fiscal year 1977 may be used by LEA's in any proportion for the preceding programs at their discretion.

Explanation: Funds will be distributed to the States on the basis of the proportionate number of children in each State who are ages five through seventeen as compared to the total of such children in all States, after approximately one percent is withdrawn for allocation to the outlying areas, the Department of Interior (Indian Education) and the Department of Defense (Dependent Children's Schools).

Objectives for 1976 and 1977: In both 1976 and 1977, it is expected that these funds will offer approximately the same benefits as the separate categorical programs did in the previous years, serving over 45,000,000 school-age children in both public and private elementary and secondary schools.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: College Library Resources (Higher Education Act of 1965, as amended, Title II-A)

1975		1976	
Estimate	Revised	Authorization	Budget Estimate
$9,975,000	---	$70,000,000	---

Purpose: Title II, Part A, of the Higher Education Act, as amended, authorizes grants to eligible institutions of higher education and other public and private non-profit library institutions whose primary function is to provide library and information services to institutions of higher education on a formal cooperative basis to assist and encourage them in the acquisition of library resources including law library resources, such as books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials and other related materials (including necessary binding).

Explanation: Three types of grants are authorized: (1) basic grants up to $5,000; (2) supplemental grants up to $20 per student with no matching required; and (3) special-purpose grants which must be matched with $1 institution money for every $3 Federal money. Basic grants must be awarded to all eligible institutions applying.

Accomplishments in 1975: A rescission of the $9,975,000 appropriated for this program is proposed.

Objectives for 1976: No funds are requested for fiscal year 1976. Federal support for institutions of higher education will be concentrated on students who will carry the funds to the institutions of their choice.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: Training and Demonstrations

(a) Librarian Training (Higher Education Act of 1965, as amended, Title II-B)

1975		1976	
Estimate	Revised	Authorization	Budget Estimate
$2,000,000	---	$20,000,000	---

Purpose: Title II, Part B, of the Higher Education Act, as amended, authorizes grants to institutions of higher education and library organizations or agencies to support the training of paraprofessionals and professionals in library and information science for services to all types of libraries. Such grants may be made for fellowships, traineeships, and short- and long-term training institutes for library personnel.

Explanation: The Education Amendments of 1972 require that not less than 50 percent of the funds for library training be used to support fellowships and traineeships. In addition, the amendments require a statutory distribution of funds between the college library resources, training and demonstrations programs. Of the amount appropriated for library demonstrations and training under title II-B, 66-2/3 percent must be used for librarian training.

Accomplishments in 1975: A rescission of the $2,000,000 appropriated for this program is proposed.

Objectives for 1976: No funds are requested for this program in fiscal year 1976. Federal support will shift in fiscal year 1976 from categorical training programs to broader student assistance programs.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: Training and Demonstrations

(b) Library Demonstrations (Higher Education Act of 1965, as amended, Title II-B)

1975		1976	
Estimate	Revised	Authorization	Budget Estimate
$1,000,000	---	$10,000,000	---

Purpose: Title II, Part B, of the Higher Education Act, as amended, authorizes grants and contracts to institutions of higher education, and other public or private agencies, institutions, and organizations, for demonstrations, the purpose of which is to improve libraries or improve training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such projects.

Explanation: Applications are submitted by individuals through their universities, school districts, or other eligible institutions. Applications are reviewed by Office of Education field readers, and priorities of awards are based upon the nature of the proposed application. Of the amount appropriated for library demonstrations and training under title II-B, 33-1/3 percent must be used for library demonstration activities.

Accomplishments in 1975: A rescission of the $1,000,000 appropriated for this program is proposed.

Objectives for 1976: No funds are requested for this program in fiscal year 1976. However, the proposed new library legislation will provide funds to support exemplary demonstration projects which are considered to have national applicability.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: Undergraduate Instructional Equipment (Higher Education Act of 1965, as amended, Title VI-A)

1975		1976	
Estimate	Revised	Authorized	Budget Estimate
$7,500,000	---	$70,000,000	---

Purpose: Title VI, Part A, of the Higher Education Act, as amended, authorizes grants to institutions of higher education to assist in the improvement of undergraduate programs through the purchase of instructional equipment (including closed-circuit TV) and materials and through minor remodeling.

Explanation: Funds are allotted to the States by a formula based on higher education enrollment and per capita income. State commissions rank applications submitted by the institutions and recommend the Federal share which, except in hardship cases, may not exceed 50 percent of the total project cost.

Accomplishments in 1975: A rescission of the $7,500,000 appropriated for this program is proposed.

Objectives for 1976: No funds are requested for this program in fiscal year 1976. Federal support for institutions of higher education will be concentrated on students who will carry the funds to the institution of their choice.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Library Resources

Grants for Public Library Services

State or Outlying Area	1974 Actual	1975 Estimate 1/	1975 Revised 2/	1976 Estimate 3/
TOTAL	$44,155,500	$49,155,000	$25,000,000	$10,000,000
Alabama	759,993	843,067	440,598	189,394
Alaska	250,266	259,845	222,391	189,394
Arizona	499,027	575,938	340,654	189,394
Arkansas	513,320	569,047	338,076	189,394
California	3,457,820	3,945,238	1,601,251	189,394
Colorado	565,674	647,572	367,455	189,394
Connecticut	692,704	758,558	408,980	189,394
Delaware	289,772	303,914	238,878	189,394
Florida	1,328,176	1,604,555	725,503	189,394
Georgia	949,013	1,073,744	52[illegible],904	189,394
Hawaii	326,870	352,515	257,062	189,394
Idaho	318,358	340,728	252,652	189,394
Illinois	1,995,768	2,226,767	958,298	189,394
Indiana	1,042,158	1,161,880	559,879	189,394
Iowa	659,300	719,205	394,256	189,394
Kansas	562,462	610,576	353,614	189,394
Kentucky	726,108	803,533	425,807	189,394
Louisiana	793,075	879,337	454,168	189,394
Maine	362,522	388,423	270,497	189,394
Maryland	843,502	938,820	476,423	189,394
Massachusetts	1,125,345	1,251,648	593,465	189,394
Michigan	1,644,708	1,843,212	814,794	189,394
Minnesota	819,895	905,451	463,939	189,394
Mississippi	561,338	620,188	357,210	189,394
Missouri	957,524	1,064,676	523,512	189,394
Montana	314,022	332,385	249,531	189,394
Nebraska	442,176	478,009	304,015	189,394
Nevada	281,903	299,924	237,386	189,394
New Hampshire	321,731	343,992	253,873	189,394
New Jersey	1,373,143	1,528,388	697,005	189,394
New Mexico	367,821	399,304	274,568	189,394
New York	3,146,747	3,503,108	1,435,831	189,394
North Carolina	1,028,346	1,161,517	559,744	189,394
North Dakota	300,853	315,157	243,085	189,394
Ohio	1,924,624	2,148,242	928,919	189,394
Oklahoma	617,546	684,023	381,093	189,394
Oregon	543,512	602,415	350,560	189,394
Pennsylvania	2,111,235	2,351,173	1,004,844	189,394
Rhode Island	354,010	375,365	265,612	189,394
South Carolina	622,845	693,997	384,825	189,394

State or Outlying Area	1974 Actual	1975 Estimate 1/	1975 Revised 2/	1976 Estimate 3/
South Dakota	308,741	323,681	246,274	189,394
Tennessee	841,414	942,628	477,848	189,394
Texas	2,035,274	2,345,007	1,002,537	189,394
Utah	375,851	408,552	278,028	189,394
Vermont	272,910	284,509	231,618	189,394
Virginia	958,006	1,078,459	528,668	189,394
Washington	752,766	822,212	432,795	189,394
West Virginia	483,931	524,254	321,317	189,394
Wisconsin	918,339	1,023,147	507,974	189,394
Wyoming	254,442	264,017	223,951	189,394
District of Columbia	320,928	333,111	249,302	189,394
American Samoa	44,362	44,925	41,843	37,878
Guam	53,650	55,414	45,767	37,878
Puerto Rico	635,538	691,827	384,013	189,394
Trust Territory	54,604	56,492	46,170	37,878
Virgin Islands	50,032	51,329	44,238	37,878

1/ Estimated distribution of $49,155,000 with a basic amount of $200,000 to the 50 States, D.C. and Puerto Rico, $40,000 to the other outlying areas, and the balance distributed on the total resident population, 7/1/73, 4/1/70 for the areas. Required matching amounts are computed on the FY 1974-75 "Federal Share" percentages.

2/ Estimated distribution of $25,000,000 with a basic amount of $200,000 to the 50 States, D.C. and Puerto Rico, $40,000 to the other outlying areas, and the remainder distributed on the total resident population 7/1/73, 4/1/70 for the areas. Required matching amounts are computed on the FY 1974-75 "Federal Share" percentages.

3/ Estimated distribution of $10,000,000 with a Federal minimum allotment of $189,394 to the 50 States, D.C. and Puerto Rico, and $37,878 to the outlying areas. Federal allotment is ratably reduced from minimum amount under Sec. 5(a)(3)(A) to the amount available.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Library Resources

Interlibrary Cooperation

State or Outlying Area	1974 Actual	1975 Estimate[1/]	1975 Revised	1976 Estimate
TOTAL	$2,593,500	$2,594,000	---	---
Alabama	47,893	47,898	---	---
Alaska	40,708	40,736	---	---
Arizona	44,215	44,617	---	---
Arkansas	44,416	44,532	---	---
California	85,916	85,997	---	---
Colorado	45,154	45,497	---	---
Connecticut	46,944	46,860	---	---
Delaware	41,265	41,276	---	---
Florida	55,901	57,250	---	---
Georgia	50,557	50,731	---	---
Hawaii	41,788	41,873	---	---
Idaho	41,668	41,728	---	---
Illinois	65,310	64,892	---	---
Indiana	51,869	51,813	---	---
Iowa	46,473	46,377	---	---
Kansas	45,109	45,042	---	---
Kentucky	47,415	47,412	---	---
Louisiana	48,359	48,343	---	---
Maine	42,291	42,314	---	---
Maryland	49,070	49,074	---	---
Massachusetts	53,042	52,916	---	---
Michigan	60,362	60,181	---	---
Minnesota	48,737	48,664	---	---
Mississippi	45,093	45,160	---	---
Missouri	50,677	50,619	---	---
Montana	41,607	41,626	---	---
Nebraska	43,413	43,414	---	---
Nevada	41,154	41,227	---	---
New Hampshire	41,716	41,768	---	---
New Jersey	56,534	56,314	---	---
New Mexico	42,365	42,448	---	---
New York	81,532	80,567	---	---
North Carolina	51,675	51,809		
North Dakota	41,421	41,414	---	---
Ohio	64,307	63,927	---	---
Oklahoma	45,885	45,944	---	---
Oregon	44,842	44,942	---	---
Pennsylvania	66,937	66,419	---	---
Rhode Island	42,171	42,154	---	---
South Carolina	45,960	46,067	---	---

State or Outlying Area	1974 Actual	1975 Estimate[1]	1975 Revised	1976 Estimate
South Dakota	41,526	41,519	---	---
Tennessee	49,040	49,121	---	---
Texas	65,867	66,344	---	---
Utah	42,478	42,561	---	---
Vermont	41,028	41,038	---	---
Virginia	50,683	50,789	---	---
Washington	47,791	47,642	---	---
West Virginia	44,002	43,982	---	---
Wisconsin	50,124	50,109	---	---
Wyoming	40,767	40,787	---	---
District of Columbia	41,704	41,635	---	---
American Samoa	10,061	10,060	---	---
Guam	10,192	10,189	---	---
Puerto Rico	46,139	46,040	---	---
Trust Territories	10,206	10,203	---	---
Virgin Islands	10,141	10,139	---	---

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[1] Distribution of $2,594,000 with a minimum allotment of $40,000 to the 50 States, District of Columbia, and Puerto Rico; $10,000 for the other outlying areas, and the balance distributed on the basis of the total resident population, 7/1/73 for the 50 States and District of Columbia and 4/1/70 for the outlying areas.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Library Resources

Libraries and Instructional Resources
(Consolidation Program)

State or Outlying Area	1975 Estimate 1/	1975 Advance for 1976 2/	1976 Advance for 1977 3/
TOTAL	1/	$137,330,000	$137,330,000
Alabama		2,339,205	2,340,573
Alaska		250,818	246,786
Arizona		1,424,113	1,382,003
Arkansas		1,301,669	1,288,484
California		12,556,971	12,697,802
Colorado		1,608,365	1,600,214
Connecticut		1,949,787	1,956,106
Delaware		396,667	381,869
Florida		4,403,497	4,455,141
Georgia		3,144,880	3,179,646
Hawaii		547,061	545,527
Idaho		543,278	524,745
Illinois		7,112,491	7,149,007
Indiana		3,485,011	3,480,985
Iowa		1,863,613	1,859,989
Kansas		1,365,042	1,392,394
Kentucky		2,150,299	2,145,741
Louisiana		2,686,649	2,647,107
Maine		707,173	675,415
Maryland		2,676,362	2,693,867
Massachusetts		3,606,859	3,613,470
Michigan		6,186,270	6,143,678
Minnesota		2,659,822	2,634,118
Mississippi		1,642,403	1,615,800
Missouri		2,973,213	2,971,820
Montana		512,205	498,768
Nebraska		986,873	981,949
Nevada		369,743	358,489
New Hampshire		532,849	514,354
New Jersey		4,521,454	4,623,995
New Mexico		828,198	802,705
New York		10,823,688	11,004,068
North Carolina		3,345,702	3,364,086
North Dakota		436,953	433,824
Ohio		7,044,168	6,977,556
Oklahoma		1,642,470	1,618,398
Oregon		1,360,213	1,363,819
Pennsylvania		7,313,595	7,258,113
Rhode Island		591,999	581,896
South Carolina		1,849,041	1,836,609

State or Outlying Area	1975 Estimate 1/	1975 Advance for 1976 2/	1976 Advance for 1977 3/
South Dakota		475,743	459,802
Tennessee		2,572,743	2,561,382
Texas		7,801,883	7,710,121
Utah		843,256	813,096
Vermont		326,157	303,937
Virginia		3,081,125	3,091,322
Washington		2,179,843	2,174,317
West Virginia		1,129,343	1,096,250
Wisconsin		3,090,423	3,060,149
Wyoming		247,648	231,200
District of Columbia		410,468	402,651
Outlying Areas		3,430,699	3,584,852

1/ Beginning with FY 1976, this activity consolidates the following activities: school library resources, equipment and minor remodeling, and the guidance, counseling, and testing portion of supplementary services. Separate tables are included for each of these activities and contain FY 1974 and 1975 data.

2/ Estimated distribution of $137,330,000 with 1% of the 50 States, D.C., and Puerto Rico amount reserved for other outlying areas. Area amount shown is more than this because Puerto Rico is listed as an area. Distribution of funds under provisions of Sec. 401 (c) (1) with 50% distributed on the 5-17 population, 7/1/73 and 4/1/70; 50% distributed under the formulas for P.L. 89-10, title II, title III (estimated guidance amount only), NDEA III, grants and administration in the same ratio as the amount appropriated for each program in FY 1974 or FY 1975, whichever is higher, is to the total of such appropriated amounts.

3/ Estimated distribution of $137,330,000 with 1% ($1,359,703) reserved for the outlying areas (except Puerto Rico), Bureau of Indian Affairs, and Department of Defense, and the remainder distributed on the basis of the 5-17 population, 7/1/73, for 50 States and D.C., and 4/1/70 for Puerto Rico.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Library Resources

School Library Resources

State or Outlying Area	1974 Actual	1975 Estimate1/	1975 Revised2/	1976 Estimate
TOTAL	$90,234,283	$95,250,000	$90,250,000	3/
Alabama	1,417,852	1,518,904	1,439,171	
Alaska	146,657	153,406	145,353	
Arizona	833,587	1,014,782	961,513	
Arkansas	804,423	852,292	807,551	
California	8,536,517	8,826,370	8,363,044	
Colorado	1,026,488	1,120,395	1,061,582	
Connecticut	1,335,140	1,423,929	1,349,182	
Delaware	260,008	278,256	263,649	
Florida	2,704,985	3,037,575	2,878,122	
Georgia	1,911,403	2,062,792	1,954,510	
Hawaii	360,767	368,099	348,776	
Idaho	327,988	360,017	341,119	
Illinois	4,876,093	5,066,290	4,800,343	
Indiana	2,307,156	2,417,653	2,290,742	
Iowa	1,255,562	1,290,918	1,223,154	
Kansas	930,912	912,252	864,364	
Kentucky	1,356,508	1,421,300	1,346,691	
Louisiana	1,669,590	1,803,940	1,709,245	
Maine	463,249	488,188	462,561	
Maryland	1,787,959	1,887,090	1,788,030	
Massachusetts	2,429,112	2,577,551	2,442,246	
Michigan	4,182,707	4,390,382	4,159,916	
Minnesota	1,777,743	1,868,593	1,770,504	
Mississippi	936,130	1,080,028	1,023,334	
Missouri	2,021,406	2,065,971	1,957,521	
Montana	326,976	336,965	319,277	
Nebraska	643,619	675,816	640,340	
Nevada	230,488	255,119	241,727	
New Hampshire	335,975	365,646	346,452	
New Jersey	3,085,657	3,195,685	3,027,932	
New Mexico	516,306	547,595	518,850	
New York	7,423,067	7,684,481	7,281,096	
North Carolina	2,037,649	2,216,252	2,099,914	
North Dakota	270,752	276,709	262,183	
Ohio	4,775,569	4,956,045	4,695,886	
Oklahoma	1,086,694	1,131,460	1,072,065	
Oregon	872,473	925,214	876,646	
Pennsylvania	5,000,836	5,169,228	4,897,876	
Rhode Island	401,728	406,149	384,829	
South Carolina	1,141,558	1,211,326	1,147,739	

State or Outlying Area	1974 Actual	1975 Estimate[1]	1975 Revised[2]	1976 Estimate[3]
South Dakota	303,545	312,188	295,800	
Tennessee	1,587,853	1,728,352	1,637,625	
Texas	4,979,429	5,352,001	5,071,057	
Utah	528,228	572,792	542,725	
Vermont	206,217	218,255	206,798	
Virginia	1,928,041	2,120,227	2,008,929	
Washington	1,461,184	1,536,597	1,455,936	
West Virginia	710,237	776,184	735,440	
Wisconsin	2,086,738	2,156,088	2,042,907	
Wyoming	152,533	161,502	153,025	
District of Columbia	279,769	291,724	276,410	
American Samoa	30,000	69,087	65,460	
Guam	74,769	193,802	183,629	
Puerto Rico	1,828,294	1,440,358	1,364,748	
Trust Territory	86,589	216,650	205,277	
Virgin Islands	56,339	158,609	150,283	
Bureau of Indian Affairs	125,229	304,921	288,915	

[1] Estimated distribution of funds to the 50 States, District of Columbia and Puerto Rico on the basis of the total elementary and secondary public and nonpublic school enrollment, Fall 1973. 1% distributed to the outlying areas on the basis of total elementary and secondary public and nonpublic school enrollment, Fall 1973, except Trust Territory, FY 1972 and B.I.A., FY 1973.

[2] Estimated distribution of funds to the 50 States, District of Columbia, and Puerto Rico on the basis of the estimated total public and nonpublic elementary and secondary enrollment, Fall 1972. Distribution of 1% of the 50 States, District of Columbia and Puerto Rico amount to the outlying areas on the basis of the total public and nonpublic elementary and secondary enrollment, Fall 1972, except Trust Territory, 6/30/72 and Bureau of Indian Affairs, FY 1972.

[3] See "Libraries and instructional resources," into which this program is consolidated in FY 1976.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Library Resources

Equipment and Minor Remodeling
(excluding Loans to Non-profit Private Schools)

State or Outlying Area	1974 Actual	1975 Estimate1/	1975 Revised1/	1976 Estimate
TOTAL	$28,250,000	$21,500,000	$21,500,000	2/
Alabama	633,878	477,115	477,115	
Alaska	59,426	48,490	48,490	
Arizona	301,604	237,168	237,168	
Arkansas	334,413	256,815	256,815	
California	2,199,344	1,669,714	1,669,714	
Colorado	329,572	255,783	255,783	
Connecticut	300,445	229,600	229,600	
Delaware	81,758	64,767	64,767	
Florida	859,134	671,404	671,404	
Georgia	762,881	581,835	581,835	
Hawaii	113,906	89,516	89,516	
Idaho	136,919	106,071	106,071	
Illinois	1,271,415	967,883	967,883	
Indiana	747,557	566,215	566,215	
Iowa	409,932	311,174	311,174	
Kansas	304,143	228,088	228,088	
Kentucky	539,943	409,440	409,440	
Louisiana	702,435	534,029	534,029	
Maine	164,959	126,113	126,113	
Maryland	515,647	394,662	394,662	
Massachusetts	621,413	476,301	476,301	
Michigan	1,260,289	949,526	949,526	
Minnesota	592,217	446,152	446,152	
Mississippi	436,664	326,052	326,052	
Missouri	635,343	482,254	482,254	
Montana	129,155	98,483	98,483	
Nebraska	213,710	162,280	162,280	
Nevada	67,768	55,219	55,219	
New Hampshire	112,773	88,741	88,741	
New Jersey	769,272	589,451	589,451	
New Mexico	217,182	166,032	166,032	
New York	1,641,552	1,258,429	1,258,429	
North Carolina	833,409	629,530	629,530	
North Dakota	122,043	93,565	93,565	
Ohio	1,478,006	1,109,286	1,109,286	
Oklahoma	374,935	283,977	283,977	
Oregon	284,846	217,148	217,148	
Pennsylvania	1,457,264	1,098,573	1,098,573	
Rhode Island	112,327	87,575	87,575	
South Carolina	492,807	375,038	375,038	

State or Outlying Area	1974 Actual	1975 Estimate[1]	1975 Revised[1]	1976 Estimate[2]
South Dakota	126,542	96,025	96,025	
Tennessee	636,950	486,248	486,248	
Texas	1,798,103	1,364,130	1,364,130	
Utah	212,773	163,203	163,203	
Vermont	78,765	62,189	62,189	
Virginia	687,513	522,619	522,619	
Washington	438,114	328,542	328,542	
West Virginia	282,417	213,902	213,902	
Wisconsin	675,260	514,782	514,782	
Wyoming	64,359	51,014	51,014	
District of Columbia	66,918	52,852	52,852	
American Samoa	29,000	29,000	29,000	
Guam	29,000	29,000	29,000	
Puerto Rico	416,756	284,000	284,000	
Trust Territory	29,000	29,000	29,000	
Virgin Islands	29,000	29,000	29,000	
Bureau of Indian Affairs	27,244	25,000	25,000	

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[1] Estimated distribution of $19,500,000 for Grants to States, with 2% ($390,000) reserved for the outlying areas, and the remainder distributed on the basis of the FY 1975 NDEA State products of (1) FY 1974 and 1975 NDEA allotment ratios with 33-1/3% and 66-2/3% limits and (2) the estimated 5-17 population, 7/1/72. And estimated distribution of $2,000,000 for State Administration, with 1.75% ($35,000) reserved for the outlying areas, and the balance distributed on the basis of the 5-17 population, July 1, 1972, with a minimum of $13,333. The amount for the outlying areas is distributed on the 5-17 population, April 1, 1970, with a minimum of $4,000.

[2] See "Libraries and instructional resources," into which this program is consolidated in FY 1976.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Library Resources

Undergraduate Instructional Equipment

State or Outlying Area	1974 Actual	1975 Estimate 1/	1975 Revised	1976 Estimate
TOTAL	$23,526,959	$7,500,000	---	---
Alabama	368,813	119,066	---	---
Alaska	---	7,435	---	---
Arizona	291,634	99,431	---	---
Arkansas	152,686	53,138	---	---
California	2,849,302	938,918	---	---
Colorado	371,506	107,961	---	---
Connecticut	300,145	93,795	---	---
Delaware	47,090	20,302	---	---
Florida	708,697	220,155	---	---
Georgia	318,573	134,284	---	---
Hawaii	68,460	33,140	---	---
Idaho	116,947	31,401	---	---
Illinois	1,141,578	347,970	---	---
Indiana	500,388	167,429	---	---
Iowa	360,528	101,829	---	---
Kansas	320,362	90,704	---	---
Kentucky	335,726	98,604	---	---
Louisiana	356,704	128,475	---	---
Maine	106,933	34,379	---	---
Maryland	352,019	124,279	---	---
Massachusetts	743,938	259,976	---	---
Michigan	1,037,593	303,539	---	---
Minnesota	419,417	137,236	---	---
Mississippi	275,364	84,389	---	---
Missouri	546,762	161,054	---	---
Montana	100,640	25,617	---	---
Nebraska	205,939	56,639	---	---
Nevada	34,904	14,864	---	---
New Hampshire	98,379	30,771	---	---
New Jersey	520,319	169,609	---	---
New Mexico	137,411	42,983	---	---
New York	1,909,914	609,258	---	---
North Carolina	599,896	193,007	---	---
North Dakota	107,962	28,747	---	---
Ohio	1,051,266	320,120	---	---
Oklahoma	366,454	109,025	---	---
Oregon	342,081	105,569	---	---
Pennsylvania	1,103,348	353,356	---	---
Rhode Island	132,531	41,984	---	---
South Carolina	257,954	93,794	---	---

State or Outlying Area	1974 Actual	1975 Estimate 1/	1975 Revised	1976 Estimate
South Dakota	80,354	25,184	---	---
Tennessee	464,693	143,448	---	---
Texas	1,359,551	432,534	---	---
Utah	270,074	76,255	---	---
Vermont	76,416	26,194	---	---
Virginia	456,606	152,182	---	---
Washington	502,802	156,367	---	---
West Virginia	215,812	61,914	---	---
Wisconsin	620,007	180,070	---	---
Wyoming	30,734	13,338	---	---
District of Columbia	160,063	50,276	---	---
American Samoa	---	674	---	---
Guam	---	3,018	---	---
Puerto Rico	226,916	82,814	---	---
Trust Territory	---	58	---	---
Virgin Islands	2,768	1,242	---	---

1/ Estimated distribution of funds with 50% distributed on the basis of full-time and full-time equivalent of degree-credit and nondegree-credit enrollment (excluding proprietary schools) in institutions of higher education, Fall 1973, and 50% on the basis of the State products of FY 1975 higher education allotment ratios and the enrollment listed above.

Justification

Library Resources

	1976 Estimate	Interim Estimate July 1-Sept.30,1976
Public libraries	$10,000,000	---
Libraries and instructional resources.....	137,330,000	--- 1/
College library resources................	---	---
Training and demonstrations...............	---	---
Undergraduate instructional equipment.....	---	---
Total............................	147,330,000	--- 1/

1/ No funds are requested for this interim period; however, the advance appropriation for the libraries and instructional resources consolidated program (ESEA IV-B) will become available on July 1, 1976, and remain available through September 30, 1977.

Narrative

No funds are being requested for any of the above programs for the period July 1 through September 30, 1976, for the following reasons: the public libraries, college library resources, training and demonstrations, and the undergraduate instructional equipment programs are being terminated; and the advance appropriation for libraries and instructional resources will be available during this period.

The entire 1976 advance appropriation -- which will cover the project period July 1, 1976 to June 30, 1977 -- will be made available to the States during the interim period. The appropriations to cover the next project period -- July 1, 1977 to June 30, 1978 -- will be requested in the regular fiscal year 1977 budget and no new appropriation action will be required during the interim period.

FRIDAY, MARCH 14, 1975.

INNOVATIVE AND EXPERIMENTAL PROGRAMS

WITNESSES

DR. TERRELL H. BELL, COMMISSIONER OF EDUCATION

JAMES MOORE, ACTING DIRECTOR, SPECIAL PROJECTS PROGRAM

DUANE J. MATTHEIS, EXECUTIVE DEPUTY COMMISSIONER OF EDUCATION

DR. EDWARD W. MARTIN, ACTING DEPUTY COMMISSIONER, BUREAU OF EDUCATION FOR THE HANDICAPPED

ROBERT R. WHEELER, ACTING DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS

DR. KENNETH B. HOYT, DIRECTOR OF THE OFFICE OF CAREER EDUCATION

DR. HAROLD C. LYON, JR., PROGRAM MANAGER, GIFTED AND TALENTED CHILDREN

DR. JOHN W. EVANS, ACTING DEPUTY COMMISSIONER FOR PLANNING

CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

JULIE ENGLUND, COMMUNITY SCHOOLS

LARRY LAMOURE, CONSUMER EDUCATION

JOAN DUVAL, WOMEN'S EQUITY PROGRAM

Mr. FLOOD. The committee will come to order.

We are still with the Office of Education.

Now we are going into innovative and experimental programs. That is certainly self-definitive. You can't improve on that.

The witness will be Dr. Terrell H. Bell, the Commissioner of Education. We have read your statement, Dr. Bell, and we will insert it in the record at this point.

[The statement follows:]

Mr. Chairman and members of the committee, I am pleased to appear here today to present our fiscal year 1976 appropriation request of $38,993,000. This represents the first appropriation being requested for section 402 of Public Law 93-380 which was signed into law on August 21, 1974.

The purposes of the special projects section are threefold:

1. Experiment with new educational and administrative methods, techniques, and practices;
2. Meet special or unique educational needs or problems;
3. To place special emphasis on national educational priorities.

The legislation requires that not less than 50 percent of this appropriation be used for the following seven activities: (1) Metric education, (2) education for the gifted and talented, (3) community schools, (4) career education, (5) consumer education, (6) women's educational equity, and (7) the arts in education programs. The remaining amount would be expended on priority areas deemed necessary by the Office of Education in accordance with the act. Legislation also requires that a spending plan for this appropriation be forwarded on February 1 of each year to the Senate Committee on Labor and Public Welfare, and the House Committee on Education and Labor.

The priority areas I have designated for support from the discretionary portion of the requested appropriation are: Career education; packaging and field testing and educational television programing. The latter activity includes support for the children's television workshop. A request of $21,493,000 is being made to support the mandated portion of the special projects section and $17,500,000 to support the discretionary portion.

In fiscal year 1976, we are requesting $3,500,000 for the packaging and field testing program. This program was developed as a means to accelerate the dissemination of successful educational practices and products. The strategy is to help educators overcome the obstacles they face in installing new educational approaches by producing them with detailed, how-to-do-it packages based upon successful projects already operating in other schools. During school year 1973-74, we developed six such project information packages in the area of compensatory education. We also initiated a test of the use of the packages in 17 school districts across the Nation.

We are now part way through the first year of the field test and are encouraged by the enthusiasm with which the packages have been greeted. While there is evidence to indicate that the packages can be used to bring about faithful replications of various educational approaches, the ultimate test is whether or not they result in improved learning in the children who participate. The ongoing evaluation will provide us with such information.

The fiscal year 1975 appropriation for the packaging program was $1.4 million. Part of those funds are being used to complete the field test of the first six packages and to modify them in ways suggested by the evaluation results. We will also be identifying and packaging 12 new effective projects ; some will be in compensatory education but we also intend to expand into the area of bilingual education.

In fiscal year 1976 we would support field testing of packages in the schools and the first steps of broad-scale dissemination of packages and their implementation in schools.

In fiscal year 1976 we are requesting $7 million for educational TV programs. We will continue to provide support for the Children's Television Workshop, Sesame Street and the Electric Company and to continue support for new efforts initiated in 1975 for other educational TV programs.

Because of the critical importance of career education we are augmenting the legislative set-aside by an additional $7 million. This will support a program level of $10.1 million.

To demonstrate effective methods and techniques in career education exemplary models in career education will also be developed.

I would like to point out some unique features of this legislation, which the committee might find useful as it evaluates the purposes and general value of our budget request.

The value of the programs covered by this legislation rests in their ability to build capacity in areas that need more attention in the State and local educational agencies. For example, we know that there will soon be a need for teaching the metric system in the schools of the United States. We should use this authority to encourage building the capacity of school systems to teach the metric system. By sponsoring a few strong projects in strategic places across the Nation and by using our leadership function to call attention to this need we can help to close some gaps and consolidate some of the work already underway. The same would apply to other areas such as education of gifted and talented students, community education, career education, etc.

We will watch closely the effects of attempting to build capacity with small sums of money. The tests of our success will be in the number and quality of projects initiated by States and local educational agencies, and the extent of their impact and acceptance beyond the project sites and Federal support.

We will be happy to answer any questions the committee may have.

SPECIAL PROJECTS ACT

Mr. Flood. Now you are requesting $38,993,000 for the act we passed last year, the Special Projects Act. That is a good title, too, Special Projects Act.

How much of this is for the new program and how much for the continuation of the existing program?

Mr. Bell. An amount of $21,385,000 is being requested for programs which were previously funded under other authorities in fiscal year 1975. These programs are Career Education, Arts in Education, Packaging and Field Testing, and Educational Television programing. An amount of $17,608,000 is being requested for new programing under this appropriation. These programs are Metric Projects, Gifted and Talented Children, Community Schools, Consumer Education, and Women's Educational Equity.

Mr. **Flood**. We must always be concerned about this.

How many people are you going to need to administer this Special Projects Act? I know that is somewhere in your salary and expenses setup. What about it right now?

Mr. **Bell**. We have 42 additional staff allocated.

SPENDING PLAN

Mr. **Flood**. In your statement you mentioned that the basic legislation requires a spending plan for this appropriation to be sent to the Legislative Committee by February 1.

Mr. **Bell**. Yes, sir.

Mr. **Flood**. I know you did not write that law.

Do you know why that is required?

Mr. **Bell**. I think that the authorizing committees wanted to keep surveillance on how we were going to carry out this new authority which is quite unique for the Office of Education.

Mr. **Flood**. I usually get a better reaction than that. What kind of information would be included in this so-called spending plan.

Mr. **Bell**. First of all, it would show how we were going to allocate the moneys among these various categories. As you know, the law requires that not less than half of the money be spent on a formula basis. Say, if it were $40 million in round numbers, then at least $20 million is allocated on a percentage. A legislatively determined percent distribution has to be be made among metric education, gifted and talented, Community Schools, Career Education, Consumer Education, Women's Education, and Arts in Education. The remaining amount of the total appropriation would be used for the Commissioner's discretionary programs.

The spending plan is supposed to show the dollars allocated for both the mandatory programs and the Commissioner's discretionary funds.

Mr. **Flood**. Does the Legislative Committee have to approve the plan?

Mr. **Bell**. I think the circumstance is a resolution, that is, the plan is approved unless they pass a resolution of disapproval? Am I right?

Mr. **Moore**. Yes, I think so. They have 60 days in which to approve or disapprove.

Mr. **Bell**. If they do not act to disapprove, it is approved.

Mr. **Flood**. Will you send a copy of that plan to the committee?

Mr. **Bell**. Yes, sir.

METRIC EDUCATION

Mr. **Flood**. I understand that the purpose of this metric education program is to encourage educational agencies and institutions to prepare students in the metric system. That is great. But what about the millions and millions of other consumers who are going to be affected by this metric system?

Mr. **Bell**. We are hoping that we can produce, along with this effort, some materials that can be used in the mass media like television that other metric educational materials can also be utilized there.

Obviously if and when we convert to the metric system it is going to be an enormous task in a nation as large and complex as ours.

Mr. **Flood.** That is the understatement of at least this afternoon so far, you can be sure about that. What percent of the population do you think will be reached by grants and contracts of that kind?

Mr. **Bell.** With this, since it is just slightly over $2 million, reaching them directly would be quite limited. But hopefully the materials that we produce from this will be available and valuable to virtually all of the schools and all of our 17,000 school districts. So we hope in that sense it will touch ultimately virtually all of the schools.

Mr. **Flood.** It is a relatively small amount for such a thing that will sweep across the entire spectrum. With such a relatively small amount of money in the budget how effective will this program be in helping the consumers, the parents, students, teachers, the general public, to prepare themselves for the impact, and I mean impact, of this new system of measurement?

Mr. **Bell.** I think that at least it is going to be useful in getting the education family, so to speak, ready. As far as reaching out into the total American society, I just don't think we have the funds or the capacity here to address that in a wholesale way at all.

Mr. **Wheeler.** Mr. Chairman, it might be useful to observe that as we have thought about the size of the funds to support this metric education program and establishing collaboration between three of these programs at least under special projects with community schools where we will be getting to some of the adults with our educational television programing and also with our responsibility for consumer education.

It should be mentioned, too, that we would not be the first to become involved with the responsibility for converting over to metric education. There seems to be a lot of activity in this direction at all levels.

Mr. **Flood.** When do you expect the switch in this country to occur, the switch to the metric system?

Mr. **Wheeler.** I could not predict that.

Mr. **Bell.** I think that will be by act of Congress.

Mr. **Flood.** But what do you think, off the top of your head? What is an educated guess?

Mr. **Mattheis.** I think an enormous amount of conversion will be made in the next 10 years. Textbooks over the last 20 years have been converting to the metric system in science and mathematics. California has recently passed a law or a State board of education regulation which is going to mandate that metric education be placed in the California textbooks and schools. It is moving quite rapidly.

Mr. **Flood.** What is your guess?

Mr. **Mattheis.** I would say an enormous amount of conversion is going to take place in the next 10 years.

The ultimate is going to be on behalf of Congress as it affects industry.

Mr. **Flood.** But Congress has backed away from this year after year.

Mr. **Bell.** That is why I stammered on the response.

Mr. **Mattheis.** If I could interject another comment, we have had some studies done with regard to metric education being introduced in other countries. This is assisting us greatly. One of the points that has been called to our attention is that one started off on the adult population. This has been a significant problem in other countries as they have adopted the metric system.

Mr. **Flood**. Maybe we could turn all those American tourists loose.

Mr. **Mattheis**. We will give that attention in our program.

METRIC EDUCATION WITH EDUCATIONAL TELEVISION

Mr. **Flood**. Under the educational television programs, you have $3 million there for new awards. A portion of these funds would be used to acquaint the general public with a need to understand and use the metric system of weights and measures.

What part of that $3 million will be used for metric education?

Mr. **Bell**. I think that will be contingent upon what kinds of proposals we receive.

Mr. **Flood**. How would the funds be used?

Mr. **Bell**. We are planning to use these funds for a number of areas in educational TV.

Mr. **Flood**. You have no percentage set aside of the $3 million?

Mr. **Wheeler**. No, Mr. Chairman; we are going to use this money to encourage some additional TV programing which begins to reach into the adolescent stage of development. Also, we are going to be searching out proposals for the metric system of weights and measures. We have not made a particular set-aside within this $3 million for metric education.

Mr. **Flood**. What organizations will receive these funds?

Mr. **Wheeler**. For the most part they will be local television stations. They have already begun some work on their own in many of these directions.

Mr. **Bell**. The thing we will do is put out a request for proposal and then review the submissions we get and make the awards on the basis of the promise of the proposals we receive.

EDUCATION OF THE GIFTED AND TALENTED

Mr. **Flood**. According to your statistics, it is estimated that there are some 2,580,000 gifted and talented students.

That is within the whole school population. A vast majority of them have not been reached in that bracket. How can an appropriation of $2,560,000 be used by the State and local education agencies who have no programs and want one?

Mr. **Bell**. This is under Mr. Martin's Bureau. We will ask him to respond.

Mr. **Martin**. The law calls for four or five separate kinds of activities all designed to stimulate State efforts.

Mr. **Flood**. And local?

Mr. **Martin**. Yes, State and local.

The first activity that we will ask for of this $2.5 million, $1.75 million will be for grants to the States which will strengthen the State efforts in combination with the local district and the college and university to set up some broad programs, according to a plan which the States will begin to implement.

Mr. **Flood**. What universities?

Mr. MARTIN. We will be calling for applications from State education agencies and asking them to combine in their application a local education agency, or more, and some institutions of higher education so that the first programs they set up will not only serve as models, but will also have a teacher training component in it so that as they go along they will be developing people for other programs.

That is one strategy. A second strategy will be that we will make grants to support the training of leadership people in each State who understand these programs and work with others across State lines.

Third, we will provide some funds for model programs, again specified by law, in areas where gifted children may not be so easily identified, for example, among handicapped people or minority group people.

Mr. FLOOD. Aren't some of the funds from education for the handicapped used for these gifted and talented studies?

Mr. MARTIN. No, sir.

That is not allowed unless the children are handicapped as well. The Education for the Handicapped Act does not define gifted.

Mr. FLOOD. If the handicapped are called gifted and talented, they can use it.

Mr. MARTIN. Yes.

Mr. FLOOD. Just because a child is handicapped does not mean he is a halfwit, the physically handicapped are also included.

Mr. MARTIN. That is right.

We are discovering now marvelous artistic talent among retarded.

Mr. FLOOD. I played bridge with some handicapped children in their teens. They were terrific.

Mr. MARTIN. That is right. Part of the strategy will be to seek out talented and gifted people in the groups of handicapped and minorities.

Finally, the law calls for us to have a clearinghouse and we will spend about $125,000 to provide an information clearinghouse.

Mr. FLOOD. You indicate that part of the request that we are talking about will be for training.

What do you mean by training? What kind of training would this be and who would you train?

Mr. MARTIN. In the gifted area, sir?

Mr. FLOOD. Yes.

Mr. MARTIN. There are two kinds of training to be done. One would be some grants to the colleges and universities in cooperation with the States for training teachers and supervisors, people who would work at the State level or in the local agency level with the teachers to help set up these programs.

Our first efforts will be to train people at the top of the pyramid who will in turn train people in the local community. It will not be a fellowship program on behalf of thousands of young people.

Mr. FLOOD. Who will you train?

Mr. MARTIN. Employees of State education agencies for developing their own capacity. We will be training through the model projects various other education personnel who will come into those projects, see what it going on and get in a sense in-service training.

Mr. FLOOD. What kind of programs are you now conducting for the gifted and talented students? Some States have programs, don't they?

Mr. BELL. Yes; they do have.

Mr. Martin. Some States do have programs now. A small number of them do, proportionately speaking. None have universal programs. What you would be likely to find, in a number of States, Pennsylvania is one, is a Governor's school for gifted children operating in the summer. North Carolina has that approach, also.

COMMUNITY SCHOOLS

Mr. Flood. Your statistics show 3,600 community schools. They have been developed in some 600 school districts all across the country. You know, many of them are struggling, and that is an understatement, because of inadequate funding. There is no question about that. A lot of other communities which would launch the programs, the ones that are sold on this, are not going to because of a lack of funds to sustain such an operation. You have a budget request of $3,553,000. How many school districts are going to be able to effectively establish these new programs?

Mr. Bell. We will be extremely limited with the size of that appropriation as far as us reaching a large number of them.

As you likely know, the Mott Foundation in Flint, Mich., has been the leader in the whole community school area. I would like to call on Julie Englund who has been managing this program for us to tell us just a few things about how we will plan to use that $3½ million.

Ms. Englund. The law calls for three separate funding activities. The grants will go to State and local education agencies for the purpose of establishing, expanding, improving, or maintaining community education programs. The third activity is for training individuals to plan and operate communty school programs. This would be done through grants to higher education institutions. The way that $3.5 million is broken down is that $1.5 million is to State educational agencies——

Mr. Flood. How much of the budget would be used to expand existing community schools, however many there are? How much of the pie would they get?

Ms. Englund. The law allows $1.5 million to go to local education agencies. Three types of programs would be entertained under the law—establishing new programs, expanding and maintaining existing programs.

Mr. Evans. Mr. Chairman, you have asked a similar parallel question to all the similar parts of this law to the effect of how these minuscule amounts can address the problems. I think we ought to be clear that it is really not the purpose of this act and certainly not the purpose of these proposed budget levels to address the full-scale problems that each of these categories contain.

As you, yourself noted, to deal with the whole problem of metric education in the United States or with all the gifted and talented children would require hundreds of millions of dollars. The question is not how many of the potential people in the universe of need are we going to reach here, but rather how are we going to carry out the purposes of this law which is to demonstrate and promote activities along these lines.

Mr. Flood. Let me ask another "how." How would the estimated 30 grants to the State educational agencies be distributed?

Ms. ENGLUND. These are competitive discretionary grants which would be distributed based on the criteria and requirements we are developing as part of our regulations. The purposes of those approximately 30 grants would be to assist States to assist local education agencies and develop their own programs.

Mr. FLOOD. I know the purpose. I was wondering how those 30 grants were going to be distributed.

Mr. BELL. We will, of course, follow our usual procedure of putting out a notice to solicit grant applications. Then the States will submit their proposals to us.

We will evaluate the poposals based on our funding criteria and select the highest rated.

Mr. FLOOD. What incentives or inducements, if any, will be provided to the States that do not receive any grants now but want to establish and maintain community education programs.

What about them?

Ms. ENGLUND. Technical assistance would be provided through the office in Washington to the extent that staff and funds allow. There will also be a clearinghouse which will have the potential to make available information on expanding or establishing and improving programs.

In addition to that there will be institutions of higher education that will be funded and will have the potential to provide assistance to those States and/or local agencies wishing to do this.

Mr. FLOOD. Part of the request you made is for training grants to colleges and universities.

How many of these institutions are now equipped to train people to operate community schools?

Mr. BELL. There are not many at the present time. Ms. Englund, could you respond?

Ms. ENGLUND. Is your question how many institutions are prepared to train individuals?

Mr. FLOOD. Yes.

Ms. ENGLUND. Currently there are approximately 65 institutions that are serving as community education training centers.

Mr. FLOOD. Could they operate community schools?

Ms. ENGLUND. They do not operate community schools directly. They assist local agencies.

Mr. FLOOD. They train people to operate them and you have that many ready to go.

Ms. ENGLUND. That is right.

CAREER EDUCATION

Mr. FLOOD. We use the phrase "big deal." This committee gets big deals. One of the big deals has been career education. I remember the first day somebody came up with that. I forget who it was.

What is the difference between career education and vocational education?

Mr. BELL. We have Dr Kenneth Hoyt, who is the Director of that program.

Mr. HOYT. We see three essential differences between career education and vocational education. First of all, career education covers the entire span of career development, beginning with awareness, exploration, motivation, preparation, entry, and progression in a career.

Vocational education, as you know, Mr. Chairman, concentrates primarily on one of those phases, namely, preparation. That is one difference. Second, career education is concerned with relationships between education and work for all students at all levels of education in all settings, from the early elementary school through the graduate college. Vocational education is primarily concerned with the secondary school and postsecondary subbaccalaureate levels. Third, vocational education concentrates on education as preparation for work in the world of paid employment. Career education concentrates on both paid and unpaid work; that is, work done as a volunteer, the work of the student, as well as work in the world of paid employment.

Those are the three large differences.

Mr. Flood. He must have thought somebody was going to ask that question.

Mr. Bell. No, sir, the question has been asked before.

Mr. Flood. And you have answered it before. That is a good answer.

Mr. Bell. There is always the danger that we will tell you more than you want to know on that question.

Mr. Flood. What about other programs in the Office of Education directed toward career education?

Mr. Hoyt. We have programs now in the Bureau of Education for the Handicapped that are concentrating on research in career education for the handicapped.

We have many programs in elementary and secondary education, title I programs, which are designed to improve reading and mathematics through using career education as a vehicle.

Title III programs, some of them, are in career education. We are continuing to have some vocational education funds being used for career education.

Mr. Flood. Several years ago you will remember the innovation program. We had this innovation program under vocational education. This was used to support the career education projects. Are you still doing that?

Mr. Hoyt. No, sir, we were talking about part C of the Vocational Education Act. Part C is being used for other innovative programs in vocational programs.

Mr. Flood. On page 205 of your justifications you refer to 100 demonstrations projects in career education during 1975. How successful were these projects in meeting the needs of the handicapped and minority people?

Mr. Bell. Mr. Hoyt can answer that for you.

Mr. Hoyt. Those were the part C and D projects under vocational education.

Mr. Flood. I know that.

How successful were they?

Mr. Hoyt. They have not studied specifically the handicapped nor the minority.

That is why we have both of those in as demonstration projects for fiscal 1975 funds.

Mr. Flood. That is why I asked you. What was the average level of funding per project with that setup?

Mr. Hoyt. It was roughly $150,000 per project.

NATIONAL SURVEY AND ASSESSMENT

Mr. Flood. Remember, another survey was made. What were the major findings of that national survey and assessment on the status of career education? It is in your justifications. What were the major findings?

Mr. Hoyt. There will be a survey this year. It has not been made yet.

Mr. Flood. We read this on page 187 of your justifications. Accomplishments for the fiscal year 1974–75.

> Fiscal Year 1975 was the first year of funding for the Career Education Program. The following types of activities were initiated. Two, a project to conduct the national survey and assessment of the status of career education as called for in Section 406(e) of Public Law 93–380.

Mr. Evans. The answer to your question is that fiscal 1975 has not expired and that study is an activity that is in the process of being initiated.

An RFP has been developed and that study will be carried out in the next few months.

Mr. Flood. Have any projections been made concerning the level of funding needed to provide quality career education in the Nation's schools?

Mr. Bell. Mr. Hoyt has made quite a survey on that.

Mr. Flood. We talked about quality education and career education, now we are putting them both together, quality career education.

Mr. Hoyt. Sir, to provide that on an implementation basis would take probably somewhere in the neighborhood of $200 to $500 million.

Mr. Flood. What would be the amount of funding that would be required for the continuation of the survey and the assessment?

Mr. Hoyt. The survey of the current status of career education is funded—well, that is in Dr. Evans' shop. Isn't it $350,000?

Mr. Evans. Yes.

EDUCATIONAL TV PROGRAMING

Mr. Flood. Now you had better be good on this because this is one of my pet pigeons. I gave birth to this one. Will you explain this $1.5 million decrease in Sesame Street and the Electric Company?

First of all, in Sesame Street, you had better be good. That is a sacred cow.

Mr. Bell. Mr. Wheeler.

Mr. Wheeler. Mr. Chairman, we have, over a number of years, put considerable money into Sesame Street and the Electric Company.

Mr. Flood. And what will be cut from the two areas?

Mr. Wheeler. We don't see that——

Mr. Flood. Explain the decrease and what will be cut.

Mr. Wheeler. Mr. Chairman, I think the best way to approach the answer to your question is that these two television shows—magnificently successful television shows—are in place. They only need to refine the program they have now and perhaps begin to explore the area of adolescence for the production of similar kinds of programs. So at this point they have just these two obligations. These two programs will not suffer because we deduct $1.5 million from their funding. We think that they will still operate in the same way that they have been operating. In addition to that, they will have some money to begin to look at a new horizon for this kind of educational TV.

Mr. FLOOD. What do you have for an estimated viewing audience so far in 1975?

Mr. WHEELER. About 10 million children.

Mr. FLOOD. How many do you expect to view it in 1976?

Mr. WHEELER. We think that that would certainly not slip below that amount, that number of children, even though we deducted the $1.5 million.

Mr. FLOOD. On that question, please supply for the record the sources of funding for Sesame Street and also the Electric Company for 1974, 1975, and 1976.

Also put in there the source of funding.

[The information follows:]

Insert page 189

CHILDREN'S TELEVISION WORKSHOP FUNDING 1968-76

28 August 1974

BROADCAST ACTIVITIES: Federal Funding Agency	FY 68	FY 69	FY 70	FY 71	FY 72	FY 73	FY 74	FY 75 (Est)	FY 76 (Est.)	TOTAL
U.S.O.E.	$1,340,000	1,330,000	655,000	2,600,000	7,000,000	6,000,000	3,000,000	4,000,000	4,000,000	31,425,000
O.E.O. -- O.C.D.	50,000	300,000	300,000	300,000	---	---	***1,000,000 ---	---	---	1,000,000 950,000
National institute of child health & development.	15,000	---	---	---	---	---	---	---	---	15,000
National foundation for the arts & humanities.....	10,000	---	---	---	---	---	---	---	---	10,000
Subtotal................	1,415,000	1,630,000	955,000	2,900,000	7,000,000	6,000,000	4,000,000	5,000,000	4,000,000	33,400,000
Quais- Governmental Agency										
Corporation for public broadcasting	---	---	750,000	500,000	2,000,000	5,000,000	5,000,000	# 4,400,000	# 4,300,000	21,950,000
Private Funding										
Carnegie Corporation	---	100,000	1,400,000	600,000	1,000,000	500,000	---	---	---	3,600,000
Ford Foundation...........	---	250,000	1,288,000	1,000,000	1,000,000	---	---	---	---	3,538,000
Learning resources in Institute	---	---	150,000	---	---	---	---	---	---	150,000
3M corporation	---	11,000	26,000	---	---	---	---	---	---	37,000
Markle foundation	---	---	250,000	---	---	---	---	---	---	250,000
Mobil corporation	---	---	---	---	250,000	---	---	---	---	250,000
S.C. Johnson Co.	---	---	---	---	23,000	---	---	---	---	23,000

	FY 68	FY 69	FY 70	FY 71	FY 72	FY 73	FY 74	FY 75	FY 76	TOTAL
The Scherman foundation.....	---	---	---	5,000	5,000	---	---	---	---	10,000
Meridith foundation.........	---	---	10,000	---	---	---	---	---	---	10,000
Rogers foundation...........	---	---	---	10,000	---	---	---	---	---	
Michigan State university...	---	---	---	1,000	---	---	---	---	---	1,000
Commercial stations........	---	---	---	115,000	241,000	304,000	320,000(Est)	375,000(Est)	375,000(Est)	1,705,000
Other......................	---	1,000	---	---	---	8,000	---	---	500,000	9,000
PRIVATE FUNDING TOTAL......	---	362,000	3,124,000	1,731,000	2,544,000	812,000	320,000(Est)	350,000(Est)	375,000(Est)	9,618,000
GRAND TOTAL OF FEDERAL, QUASI-GOVERNMENTAL, & PRIVATE....................	1,415,000	1,992,000	4,829,000.	5,131,000	11,544,000	11,812,000	9,000,000	9,400,000(Est)	8,800,000(Est)	63,923,000
Non-Broadcast Activities:										
Periodicals:										
Mobil Oil Corporation grant.................	---	---	250,000	---	---	---	---	---	---	250,000
Magazine sales & subscriptions.........	---	---	104,000	418,000	1,008,000	1,051,000	1,500,000(Est)	1,500,000(Est)	1,750,000(Est)	7,331,000
Educational Products -- Net royalties...........	---	---	---	858,000	1,198,000	944,000	1,000,000(Est)	1,250,000(Est)	1,500,000(Est)	6,745,000
Other....................	---	---	---	5,000	---	---	---	---	---	5,000
CAPITAL DEVELOPMENT ACTIVITIES:										
The Ford foundation inc..						2,000,000**				

**Ford made a multi-year grant in 1972 to CTW to provide venture capital funds. The grant totals 6 million, and can be drawn in varying amounts over a seven year period.

***FY 1973 funds released in FY 1974.

Prior to FY 1975 funds from CPB were designated National Programming. Public/educational broadcasting stations now purchase/lease shows through Program Cooperative with approximately 97% carrying Sesame Street and 92% carrying The Electric Company during school year, 1974-1975.

CHILDREN'S TELEVISION WORKSHOP COPYRIGHTS

Dr. Bell. Mr. Chairman, a concern I have about the Sesame Street and Electric Company programs is that I believe they ought to be available for use in schools on individualized basis. I am concerned about the copyright that it has.

Mr. Flood. An individual school.

Dr. Bell. Yes. Many schools are now going to individual television with video tape or video cassette.

The classroom teacher has it on the library shelf like a book. She picks it up and plugs it in. It is that simple. They would have a sequence from the Electric Company then available. I have talked to the Children Television Workshop people about my concern that they moderate the position that they have now which prohibits copying this and using it in the schools. I feel as long as these millions of public dollars are available, that the public school system ought to be able to use them and not have them copyrighted in the public sector as others are.

Mr. Flood. What do you suggest? Do you want to write a law?

Dr. Bell. I have tried to persuade the Children's Television Workshop people to consider this view. I believe it would be an item with the appropriation requiring that it be done for this purpose.

Mr. Flood. Mr. Shriver.

Mr. Shriver. How much money has the Government put into Sesame Street and the Electric Company?

Mr. Bell. Mr. Wheeler would know. It has been a large sum. Let me say, supporting what the chairman has said, I think it has been fantastic. It is such a great teaching tool, I think it ought to be available for individualized instructional TV—not locked into the broadcast system. We need these on our library shelves, these tapes. In some way we need to persuade them when they are getting this huge appropriation—and they have had for years and years—that they not keep these copyrights. They argue that they have some problem with the Actors' Union and their residual rights on this. I freely admit that I do not have the kind of legal mind that knows how that can be solved. I think we ought to strive to get that.

Mr. Flood. Can you give me the figure for Mr. Shriver?

Mr. Wheeler. Beginning in 1968 through 1975, that figure is $29,920,000.

CONSUMER EDUCATION

Mr. Flood. Now you are asking for $3.1 million for consumers' education. How does that program differ from the consumer program under the Vocational Education Act?

Mr. Bell. This will be managed by the Vocational Education Bureau so we can avoid overlap in this regard. I would like to call on Mr. Larry LaMoure to respond to that question if you would, please, Larry.

Mr. LaMoure. The consumer education as represented by this appropriation would be broader than just the classroom, secondary or elementary school population. It is to be provided to the community at large.

It is a little in the same vein as metric education. It is to acquaint the adult population with some of the issues and problems facing consumer education, particularly the disadvantaged population, those who cannot speak English, or older citizens or people who do not have coping skills with the language and an understanding of the law and legal matters.

Mr. FLOOD. All right. Now, in your justifications, you refer to something here, here is a beauty—minigrants. Imagine somebody from downtown talking about minigrants. What in the world are minigrants?

Mr. BELL. Is that in connection with consumer education?

Mr. FLOOD. Yes.

Mr. LAMOURE. The minigrant proposal is to give out small amounts of money to various communities and groups interested in working with communities to try to broaden the base of knowledge of the issues regarding consumer education, particularly to discuss some of the research problems.

The problem with consumer education is that a lot of it has already gone on. What we want to try to do with the minigrant program is capture that which has already developed through private funds or through foundation funds, work and knowledge throughout the community, and try to coordinate the disbursement of that knowledge through a broader range of the general population as a whole through this minigrant program, involving people who have worked previously in consumer education issues.

Mr. FLOOD. What kind of a yardstick would you use for awarding a minigrant?

Could Ralph Nader get one?

Mr. LAMOURE. Ralph Nader could get one because it is a competitive program.

Mr. FLOOD. What is your yardstick for making an award?

Mr. LAMOURE. The criteria we are going to use is, can that type of technique or approach be used if it is generally usable by groups, in other words, to try the multiplier effect with a limited amount of Federal investment to expand the general disbursement of consumer knowledge and education and see if it has applicability for other purposes.

Mr. EVANS. On the question you asked about the possible overlap of this program with the other educational and vocational education, I think it should be clear that neither the administration nor the Office of Education requested the law in this form. In fact, we suggested strongly that these categories and their explicit required set aside not be used because of particularly the problems you raised. So we are facing the very same problem you raised which is trying to avoid the possibility of redundancies between some of these categories that were presented to us.

Mr. FLOOD. I am sure there were sound reasons for the Congressional action.

Mr. BELL. In addition, with the same bureau chief managing it, he will know about both of them. That is the reason I assigned it to that bureau so he can manage both of them.

Mr. FLOOD. That is a good point.

WOMEN'S EQUITY IN EDUCATION

Now, you want $6,300,000 for Women's Educational Equity.

Mr. BELL. I'm sorry it is that small, Mr. Chairman.

Mr. FLOOD. How do you hope to achieve equity for women with a lousy $6,300,000?

Mr. BELL. This amount is required in the formula.

I would like to ask Joan Duval if I may introduce her.

Ms. DUVAL. We hope to impact upon a problem of that size with $6 million essentially in the same vein that Dr. Evans addressed a few minutes ago. All of these special projects are in the area of demonstration, validation and developing of products that can then be disseminated to critical users. Other strategies would be to attempt to develop modules for retraining of educational personnel through which we would hope reverse stereotyping which is one of the most subtle forms that eventuate into a situation of inequity.

We would hope to reverse stereotyping, one of the most subtle terms, that eventuates into a situation of inequity, by the retraining of personnel, the development of training services for women and girls, from which they have been traditionally excluded. At a later period of life, women have been channeled into approximately four traditional types of employment. These are, from the economic point of view, not the most lucrative. They have been channeled into the nursing service, supportive submissive roles in the economic labor market.

We have women welders, coal miners, and women taking on skills which permit them to compete in the more lucrative areas of the labor market. We will do this through developing alternative educational programs, through retraining of our educational personnel and further through developing assistance materials for school systems. As these activities move toward compliance with the act, their address what we would call the gross forms of discrimination which then lead to inequity.

Mr. EVANS. We would hope through a grant we will be able to have validated packages which are cost-effective and which build into their distribution dissemination, the attacking of decisionmakers and policymakers.

Mr. FLOOD. According to your justifications, you want to create modules on the elimination of sex stereotyping. What will those modules look like? Can the committee buy one of those?

Mr. EVANS. I would hope they could be purchased. I will give you a couple of examples. The problem of helping educational personnel identify the more subtle types of stereotyping which are imbedded in educational materials, textbooks, audiovisual materials, guidelines could be developed and packaged along with a training module helping practitioners to learn to use those guidelines in the form of checklists, et cetera. We could conceivably support the development of modules which would focus on an entire elementary school curriculum and would attempt to look at the various parts of the curriculum where stereotyping occurs, or we could construct modules to be used just in a reading program or only in conjunction with physical education or health.

Mr. FLOOD. The word "module" just confused us.

Mr. Shriver.

EDUCATIONAL PACKAGING

Mr. SHRIVER. Several times in the statement the word "packaging" is used. Would you explain that?

Mr. BELL. John Evans, will you respond to that question?

Mr. Evans. Mr. Shriver, I think the term refers to the project this committee approved last year and which we discussed with you last year for a package of exemplary programs. My associate, Mr. Glassman, happens to have one of those programs with him. If he is strong enough he can hold it up.

Mr. Shriver. Let us have a look at it.

Mr. Evans. What we have noticed in the past, as I think we discussed briefly with this committee last year is that, there has been a dearth of effective education programs with real strong educational evidence behind them, but even when we do find such projects, the ability of the schools to incorporate into their teaching processes is made difficult; what the teacher has to do in her classroom is difficult. One needs, first of all, to identify definite projects, and second to take them and put them into a package like this, which has all the materials on how to plan it, what funding, what teacher training and retraining is required so that schools and a teacher could take this and decide whether they want it or not. We asked for an appropriation of $1.4 million. We had already started part of this and we showed you last year a prototype of this. We have now completed six of these and they are being checked for implementation in schools throughout the country. We are asking for another $3½ million to expand that into another dozen.

Mr. Bell. Most of them have been successful with low income, disadvantaged children, such as under title I.

Mr. Shriver. Do you sell this or give it away?

Mr. Evans. We try to persuade other people to take it and use it in their system.

Mr. Shriver. The prior witness talked about women's equity, and said you were going to create a package which would be marketable.

Mr. Evans. What we want is something people will pick up and use. We do not think it is appropriate for us to pay them to use it, or to sell it.

Mr. Wheeler has the responsibility of trying to induce use of these programs in the various schools.

Mr. Wheeler. For about 2 years the States have been actively engaged in trying to find out the types of educational practices that work well in their States. We plan to use that system to get these projects which have been properly tested, into that network. Along with about 85 other projects we have looked at systematically, we have decided these are the most efficient.

Mr. Shriver. Why isn't the experiment being handled by the Institute of Education?

Mr. Bell. These are more efforts to assist school systems in their present setting, to improve their practices as they are, versus a research mold. To discover new knowledge about learning. This is that type of a program. It is already in existence. It provides us a means to narrow the gap between practice and what is available in the various States.

Mr. Shriver. This is putting into practice?

Mr. Bell. This is implementing.

Mr. Flood. This costs a million and a half?

Mr. Evans. We have six of them.

Mr. Flood. Did you not have smaller ones last year?

Mr. Evans. A million and a half for the preliminary work to develop six of them.

Mr. FLOOD. Six more boxes or what?

Mr. EVANS. Six more boxes which represent a different kind of project.

Mr. WHEELER. These have been reproduced and are being used in 60 school systems at the time. It is not one box; that is the point I am trying to make.

COMMUNITY SCHOOLS

Mr. SHRIVER. Tell us what you are doing in the field of community schools. I have had some interested constituents contact me on this.

Mr. BELL. The whole community school movement is to try to get the school and the community complementing and supplementing each other to improve the quality of life activity. As I indicated to the chairman, I have been convinced there is a lot of potential in a community school movement to get parents involved with a school in the evenings and after hours in the various types of activities which will be best for them and also to get a good commitment to education and get parents involved and interested in the education of their children through that process.

It keeps this physical plant which costs so many dollars, as we know, Mr. Shriver, utilized more days in the month and hopefully more months in the year than we have had in the past. Many believe it affects just recreation and after school hours. But it is much broader than that in its total scope.

The law provides for an advisory council. On the advisory council, we have Mr. Mott, who started the community school movement. We are trying with this effort to capitalize on everything which has developed up to this point in our efforts to expand the community school program.

ARTS IN EDUCATION

Mr. SHRIVER. With reference to the arts program, what relationship will this have, if any, with the programs carried on by the National Endowment for the Arts?

Mr. BELL. It is closely related to that. Dr. James Moore is responsible for that.

Mr. MOORE. With this limited amount of money, our task is that of helping curriculum development at the State level by tying various facets of the arts together so that art curricula can be established in local school systems. This is a very broad effort with a very small amount of money per State.

Mr. BELL. You notice that the law requires this size appropriation. The previous appropriation was through our S. & E. budget. The law requires the $750,000 annual appropriation.

Mr. SHRIVER. I believe the Smithsonian has several arts education programs going on. Do you have any connection with those?

Mr. MOORE. There is input and consultation.

CAREER EDUCATION

Mr. FLOOD. Mr. Natcher.

Mr. NATCHER. The career education program was authorized at $15 million.

Mr. BELL. Dr. Hoyt is the director of that program.

Mr. HOYT. Yes.

Mr. NATCHER. Could you use $5 million more in this program?

Mr. HOYT. Yes, sir, if we had it we could use it and I am sure we are in the same position as other parts of this act.

Mr. NATCHER. Our chairman has covered this section very much in detail. This program under your request, is being stepped up to $10.1 million, is that correct?

Mr. HOYT. Yes.

Mr. NATCHER. An additional $135,000.

Mr. MILLER. It is level funding.

Mr. BELL. The Act provides the appropriation be split in half. On the percentage application of the total amount appropriated, there would only be $3 million, but under the Commissioner's discretionary fund we added the additional $7 million to bring it up to the $10 million so they would not suffer a budget cut, that is the reason for that.

Mr. NATCHER. Thank you, Mr. Chairman.

Mr. FLOOD. Mr. Michel?

NEW PROGRAMS PROPOSED IN EDUCATION

Mr. MICHEL. Many of these new programs you are proposing to fund for the first time may be worthy endeavors, but I wonder if this is the year, with Congress on a rampant spending spree as it is, for you to be requesting a 110 percent spending increase ($20 million) in a field that really does not appear to be of a high priority nature?

Dr. BELL. Congress has established certain priorities and preferences under the Special Projects Act to be carried out during the next 2 or 3 years. Several of the activities described in the act were funded in fiscal year 1975 under other legislative authorities. To be more specific, career education was funded under a special appropriation by Congress for an amount of $10,000,000; arts in education programs received $500,000 from the Office of Education's salary and expenses funds; packaging and field testing received $1,400,000 under the authority of section 402 of the Cooperative Research Act; and educational TV programing received $7,000,000, also under the authority of section 402 of the Cooperative Research Act. The total obligations for these programs in fiscal year 1975 amounted to $18,900,000.

The $20,093,000 increase from $18,900,000 for fiscal year 1975 to an estimated $38,993,000 in fiscal year 1976 is chiefly due to the fact that Congress is authorizing for the first time funding of new programs in addition to the activities I just mentioned. As you may know, the Cooperative Research Act was rewritten and retitled "The Special Projects Act." Therefore, we no longer have authority to fund projects under the old Cooperative Research Act, nor do we anticipate availability of other funds to carry out programs embodied in the newly passed Special Projects Act.

SPECIFIED ALLOCATIONS UNDER SPECIAL PROJECTS ACT

Mr. MICHEL. Reference is made to a requirement in the law that at least 50 percent of the funds appropriated under the Special Projects Act must be allocated to seven specified program areas (metric education, gifted and talented children, community schools, career education, consumers education, women's equity in education, arts in education). Must each of these program areas be funded, or can the funds just be distributed within the overall category?

Dr. **Bell.** It is the opinion of the Office of the General Counsel that all program areas must be funded, if any one program area is funded. We concur with this opinion. I would like to quote section 4 of the Special Projects Act, which has a bearing on this issue.

> (b)(1) In carrying out his functions under section 3 of the Special Projects Act, the Commissioner shall reserve not less than 50 per centum of the sums appropriated pursuant to Section 4 of such Act for the purposes given preference under paragraph (3) of this subsection and apportioned in accordance with paragraph (2) of this subsection. With respect to the funds to which this paragraph applies, the Commissioner's authority under Section 3 shall include authority to make grants as well as contracts.
>
> (2) Except as in otherwise provided with respect to Section 409, the Commissioner shall apportion an amount for each of the purposes set forth in paragraph (3) which bears the same ratio to the sums reserved pursuant to paragraph (1) as the amount permitted to be expended for each such purpose bears to the aggregate of the amounts permitted to be expended for all such purposes.

WOMEN'S EDUCATIONAL EQUITY PROGRAM

Mr. **Michel.** One of the problems with passing omnibus type legislation like the Educational Amendments of 1974 is that numerous minor items such as this women's educational equity program end up being slipped into the bill without much notice or chance to do much about it at the time, but end up costing the taxpayers millions of dollars. With all due respect to the members of the other sex, I do not see how we can justify spending $6 million to teach women what we already know: that they are equal to us?

[The following information was provided:]

In response to your question, one must first set forth the legislative history of the Women's Educational Equity Act of 1974 and brief mention of other legislative initiatives, Executive orders, and proclamations related to the elimination of discrimination on the basis of sex. The need for positive programmatic efforts in this area and the current plans to implement the Women's Educational Equity Act of 1974 follow.

A basic assumption underlies this response. Namely, that when a class of persons has been denied, for whatever reason, certain rights, access, and options, one can assume that that class of persons has been discriminated against and therefore that efforts must be made and legislation, if need be, must be enacted to redress and to remedy the injustice. Women's equity legislation, whether it be the Women's Educational Equity Act of 1974, Title IX, the Equal Rights Amendment, or the amendments to other legislation, was designed to redress past inequities.

LEGISLATIVE HISTORY

On January 3, 1973, Congresswoman Patsy Mink introduced H.R. 208, The Women's Educational Equity Act. Subsequently hearings were held in July and September of that year. The printed Hearings numbered 622 pages. Senator Mondale introduced a companion bill in the Senate, S. 2518, on October 2, 1973.

In addition to these bills, which were incorporated into the Women's Educational Equity Act of 1974, a number of other bills were introduced in the area of women's equity, including a bill for general amendments to education legislation to provide funds for the provision of education equity which was introduced by Senator Charles Percy (S. 2959) on February 5, 1974.

Preceding these programmatic legislative efforts there were numerous recent landmarks in the elimination of discrimination on the basis of sex. In 1968, Executive Order 11246 was amended by Executive Order 11375 to include sex. On March 22, 1972, the Equal Rights Amendment to the Constitution was passed by the Congress. Later in that same year title VII of the Civil Rights Act was amended for this purpose by the Equal Employment Opportunity Act of 1972. The Education Amendments of 1972 added title IX, "Prohibition of Sex Discrimination," and amended the Equal Pay Act. These laws, amendments to the legislation, and a proposed amendment to the Constitution reflect the existence of discrimination and the legal need to remedy it.

THE REALITIES OF INEQUITY

The fact that women have not been treated and are not now being treated as equal to men is demonstrated by the previously cited legislative efforts, Executive orders, and the recent proclamation of women's equality day. Testimony of witnesses in the hearings on the Women's Educational Equity Act provide ample documentation. Currently, on March 17, and 24, 1975, the Elementary, Secondary, and Vocational Education Subcommittee of the House Committee on Education and Labor is holding hearings on sex discrimination and sex stereotyping in vocational education.

A few facts can highlight inequities in education and its consequential impact on the lives of women.

Ninety percent of all women work sometime in their lives; 66.4 percent of the women who work do so because they are the sole wage earners in the household or because their husbands earn less than $7,000; 78 percent of all working women are employed as clerical workers, service workers, factory workers, and sale clerks.

Fewer than 1 percent of women workers are the "real professionals"—physicians, lawyers, judges, engineers, scientists, editors, reporters, university administrators, and professors.

In 1972 fully-employed women's earnings were only 60 percent of men's earnings—$5,903 for women and $10,202 for men.

Girls who enroll in female intensive vocational programs are limited to 33 wage-earning course options; boys who enroll in male intensive programs have 95 options—three times as many as girls.

Inequity in education for women can be variously characterized as subtle or gross, pervasive or particular, unconscious or conscious, individual or institutional.

The gross, particular, and institutional side is evidenced by such practices as: tracking girls and women, as a class, into clerical, humanities, and service programs and tracking boys and men, as a class, into technical, scientific, and industrial programs; restricting specific curricular offerings to one sex—e.g., home economics to girls and auto mechanics to boys; grossly unequal allocations of resources, by sex, for physical education and athletics.

These gross forms of discrimination are amendable to legislation such as title IX, although the quality of response to legislation is conditioned by the subtle, pervasive and unconscious forms of discrimination. If the school system accepts mandated equal admission with a letter of the law mentality, it will not develop an affirmative educational program. If, on the other hand, an institution follows the spirit as well as the letter of the law, it will institute changes that help women do such things as quality for admission.

Among the subtle, pervasive, and unconscious forms of discrimination there are a host of culturally conditioned practices and behaviors that are characteristics of society and, as might be expected, its schools. Schools reinforce the sex role socialization of the large society in many ways: sex stereotyping in textbooks and instructional materials; counseling policies and practices; nonverbal communication of acceptance or rejection; classroom procedures; teacher expectations; rewards and punishment; and so forth. Boys as well as girls are disadvantaged by these pervasive practices.

These practices are not readily influenced by simple nondiscriminatory legislation. Positive programmatic efforts, such as are authorized by the Women's Educational Equity Act of 1974, are necessary. As presently planned under this legislation, there will be a long-range approach aimed at the subtile and culturally created forms of inequity/discrimination. Activities will be supported that assist school personnel in eliminating sexism in schools: (1), the development of training and retraining modules for pre- and in-service teacher education; (2), the development of demonstration training programs for specific target population of educational personnel (including counselors and administrators); and (3), the development of alternative programs that expand career options for girls and women and redress past discriminatory practices.

Immediate goals are aimed at the gross, institutional forms of discrimination that result in educational inequity. Activities will be supported that assist educational agencies and institutions in complying with title IX of the Education Amendments of 1972; for example, processes for needs assessment, systems intervention strategies, models of coeducational physical education and vocational education, and administrative and supervisory procedures related to hiring and promotion practices.

In conclusion, the goal of all activities is to promote a wider range of career options for both men and women and not to attempt, through education, to create a new stereotype woman. The pluralism that is characteristic of our society should characterize initiatives in eliminating sexism and opening career options.

ROLE OF NATIONAL INSTITUTE OF EDUCATION

Mr. MICHEL. Whatever happened to the National Institute of Education? Are not most of these so-called innovative programs, programs which should properly fall under that agency?

Dr. BELL. The purposes and duties of the Office of Education as stated in the General Education Provisions Act are:

> * * * to collect statistics and facts showing the condition and progress of education in the United States, and to disseminate such information on methods of teaching and school administration as would help to establish efficient school systems, and otherwise promote the cause of education.

It is stated in Section 405 of the General Education Provisions Act that the National Institute of Education shall:

> * * * seek to improve education, including career education in the United States through—
>
> helping to solve or alleviate the problems of, and achieve the objectives of American education;
>
> advancing the practice of education, as an art, science, and profession;
>
> the strengthening of the scientific and technological foundations of education; and
>
> Building an effective educational research and development system.

Obviously, there are similarities and differences between the purposes of the two agencies. It is true that at least two of the programs under the Special Projects Act, gifted and talented, and women's educational equity, do relate to research. In regard to gifted and talented children, section 404(f) of the act reads as follows:

> (f) Notwithstanding the second sentence of Section 405(b)(1) of the General Education Provisions Act, the National Institute of Education shall, in accordance with the terms and conditions of Section 405 of such Act, carry out a program of research and related activities relating to the education of gifted and talented children. The Commissioner is authorized to transfer to the National Institute of Education such sums as may be necessary for the program required by this subsection. As used in the preceding sentence the term "research and related activities" means research, research training, surveys, or demonstrations in the field of education of gifted and talented children and youth, or the dissemination derived therefrom, or all of such activities, including (but without limitation) experimental and model schools.

In regard to the women's educational equity program, it is stated in section 408 of the act that "The Commissioner is authorized to make grants to, and enter into contracts with, public agencies and private nonprofit organizations and with individuals * * *" for activities which shall include "* * * research, development, and educational activities designed to advance educational equity."

Since we will be attempting to collect statistics and facts to show the condition and progress of the various programs under the act throughout the United States and because there are already continuous efforts in the Office of Education in these areas, we strongly feel that such programs lend themselves better to the Office of Education than to the National Institute of Education. We do foresee, however, close relationships with the National Institute of Education in certain areas, such as in the programs for gifted talented children and women's educational equity.

As a final point, it is important to note that the Commissioner of Education is the only person authorized to expend money under this act, except as cited above where the Commissioner is authorized to transfer money to, and/or contract with, the National Institute of Education.

Mr. MICHEL. Would it be possible not to fund some of these programs, and fund the more desirable under NIE?

Dr. BELL. Under the Special Projects Act, we do not believe that it is possible to fund some of the mandated programs and not others.

The Office of the General Counsel has interpreted the act to mean that there shall be an apportionment of funds for each of the programs.

By law, the Commissioner of Education is the only person permitted to carry out a program of grants and contracts for these programs. However, in the case of the program for gifted and talented children, the Commissioner of Education is authorized to transfer funds to the National Institute of Education to carry out a program of research.

CONSUMER EDUCATION

Mr. MICHEL. It would appear to me that a program such as this new consumers' education program is susceptible to a substantial degree of the molding of student opinion by some of our more rabid teachers. I have seen a number of instances of this already in courses dealing with the field of public affairs, where students tend to receive a slanted presentation by some teachers, and I wonder if you are making any plans to deal with this problem in any of the projects you may fund?

Dr. BELL. The responsibility for the presentation of curriculum materials, interpretation of curriculum guidelines and course content belongs to the local school district. We expect to fund during the fiscal year 1976 a large number of inservice training programs for classroom educational personnel. We will insist that the grantees use materials for training that are technically accurate and that the teaching practices stress the imperative role of the teacher in presenting factual and balanced concepts and principles. We will, however, have to rely on the local or State education agency for monitoring the actual presentation in the classroom.

PACKAGING AND FIELD TESTING PROGRAMS

Mr. MICHEL. This packaging and field testing program appears to be a good idea, but it would seem to duplicate many of the NIE functions. Can you draw a line between the two?

Dr. BELL. In the conference report accompanying the Education Amendments of 1972, the discussion on NIE's role in dissemination emphasizes NIE's major responsibility in "the whole complex set of dissemination/utilization functions that are desirable in this area * * *." The discussion concludes, however, that "* * * Obviously, the Office of Education must have the capability to disseminate information about its own programs and their results. The conferees expect, therefore, that the Office of Education will continue these functions with respect to the publication of information about specific categorical or formula grant programs that have been authorized by law."

The responsibility assigned to OE for dissemination concerning its own programs and their results has been implemented in part through the program for packaging and field testing. We have packaged effective projects only if they have been supported by OE funds—specifically, to date, five projects developed under ESEA title I and one project supported partially by right-to-read funds. Current plans are to expand the number of packages based on effective projects in compensatory education and to begin packaging of effective projects in bilingual education. The former group will presumably originate in ESEA Title I projects, or in other OE programs that may also support compensatory education. The latter group will presumably originate in ESEA title VII, or other OE programs that may support bilingual education.

This distinction of the OE role has worked well in practice since the 1972 amendments. The typical focus of the OE program is the project—a totality of plans, activities and results, which is also the focus of the packaging effort. Furthermore, the purpose of OE dissemination via packaging has been to identify the most effective projects operating now as part of OE programs and to disseminate appropriate information in the most useful format immediately to the field, so that similar projects, with hopefully similar effectiveness, will be organized as soon as possible. As a result, after little more than one year's activity, there are already 6 packaged projects in the field, guiding projects at 53 schools in 11 States and involving some 3,500 children. Our understanding of NIE's activity is that a considerably longer time frame, based on research activities, will lead to dissemination of information concerning effective products or recommendations on practices that should lead to better results in the field.

It should also be noted that Public Law 93–380 has greatly expanded OE's responsibilities with regard to efforts identifying effective activities, and with regard to dissemination of models based on such activities. Section 402 of title IV of the Education Amendments of 1974, which is the legislative authority for the packaging program, defines the purpose of the Special Projects Act as to experiment with new educational and administrative methods, techniques, and practices; to meet special or unique educational needs or problems; and to place special emphasis on national education priorities. Section 151 of title I of the legislation mandates the Commissioner of Education to "* * * also develop a system for the gathering and dissemination of results of evaluations and for the identification of exemplary programs and projects, or of particularly effective elements of programs and projects, and for the dissemination of information concerning such programs and projects or such elements thereof to State and local educational agencies responsible for the design and conduct of programs and projects under this title, and to the education profession and the general public." Another pertinent example of OE's increased responsibility for disseminating models of effective activities is in bilingual education, for which section 703 of title VII mandates the Commissioner to "* * * establish, publish, and distribute, with respect to programs of bilingual education, suggested models with respect to pupil-teacher ratios, teacher qualifications, and other factors affecting the quality of instruction offered in such programs."

Consequently, we see an urgent need for the efforts of both OE and NIE in meeting the mandates of the Education Amendments of 1972 and of 1974. We shall continue to make every effort to avoid duplication in our respective activities, and we see no duplication between them at present other than in the ultimate goal of improving the quality of education for children.

Mr. MICHEL. Has there been considerable State and local interest in this packaging and field testing program? Is there considerable local interest in having new ideas disseminated to them?

Dr. BELL. The impetus to the present activities of the packaging program came from a planning conference in August 1973 of approximately 15 State coordinators of the ESEA title III program and representatives of local school districts. After hearing about OE's first packaging study, just then underway, the planning group chose the dissemination of information about effective projects in OE programs as its sole priority for the Commissioner's discretionary-grant program under ESEA title III for fiscal year 1974. They saw the packaging activity as one promising effort, but by no means an exclusive one, toward organization of similar projects in the field. That decision by the State and local district representatives led to support by title III programs of the current 2-year field test of the six packages produced in the first packaging study. Seventeen school districts in 11 States are currently testing the packages through installation at 53 schools in those districts. Approximately 3,500 children are participating in the first group of field-test projects.

Another impetus to packaging came from a survey of big city school districts by the research council of the great city schools. The council reported that boards of education and district superintendents ranked "improving urban pupil achievement and instruction" No. 1 priority as a general area of concern. Boards and superintendents further ranked "basic skills—reading and math" as No. 1 priority within that general concern. Furthermore, the Office of Education in recent years has received countless requests for information on "what works" in compensatory education and for detailed guidance on how to plan and implement better projects of greater measurable benefit to children in need of compensatory education.

OE is currently conducting a study of change-agent program including ESEA title III, title VII, Right-to-Read, and part D (exemplary programs) of the Vocational Education Act. The contractor for that study, the RAND Corp. of Santa Monica, Calif., has indicated in a preliminary report that "There was belief among teachers who participated in such efforts that the Federal Government should make more and better packaged materials available."

A basic concept of the packaging program is the field testing and evaluation of a PIP's quality and effectiveness prior to its release to the field. This involves a minimum 2-year cycle of tentative identification of an effective project, approval by OE's dissemination review panel, packaging of the project, field testing of the package, and revisions of the package based on the field test, before the PIP is sent by OE into any existing or planned dissemination network. Consequently, OE has maintained a frankly "low-profile" stance regarding publicity for the PIP's, and has not distributed information about them or encouraged school districts to apply for them, other than for purposes of the current field test. Depending on the results of that test, however, we plan to use the dissemination network for effective projects already established under the ESEA title III program in response to the priority set by the 1973 title III planning group, as well as other dissemination networks to de be developed by OE's Bureau of School Systems in cooperation with the Council of Chief State School Officers and State and local education agencies.

Preliminary results from the current field test are quite encouraging with regard to future dissemination plans. Classroom users of the six PIP's have been generally able to reproduce at least the "process" characteristics of the original effective projects and have shown considerable enthusiasm in doing so. Several districts have already announced plans to use their own funds to double the number of children in PIP-based projects for the 1975–76 school year.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

Innovative and Experimental Programs

For carrying out the Special Projects Act (Public Law 93-380), $38,993,000.

Amounts Available for Obligation

Appropriation	1975 Revised	1976 Budget Estimate
	---	$ 38,993,000
Comparative transfer from:		
Occupational, Vocational, Adult Education	10,000,000	
Elementary and Secondary Education	7,000,000	
Salaries and Expenses	1,900,000	
Total, budget authority (obligations)	18,900,000	38,993,000

Summary of Changes

1975 Estimated obligations	$18,900,000
1976 Estimated obligations	38,993,000
Net change	+20,093,000

	1975 Base	Change from Base
Increases		
1. Metric projects	$ ---	$+2,090,000
2. Gifted and talented children	---	+2,560,000
3. Community schools	---	+3,553,000
4. Career education	10,000,000	+135,000
5. Consumer education	---	+3,135,000
6. Women's educational equity	---	+6,270,000
7. Arts in education programs	500,000	+250,000
8. Packaging and field testing	1,400,000	+2,100,000
Total, net change	---	+20,093,000

Explanation of Changes

Increases:

1. Metric projects--This is a new program based on new enacted legislation, the Special Projects Act. This activity would provide funds for approximately 70 projects for promising programs.

2. Gifted and talented children--This is a new program based on new enacted legislation, the Special Projects Act. This activity would provide 40 to 52 projects to meet the special needs of the gifted and talented population.

3. Community schools--This is a new program based on new enacted legislation, the Special Projects Act. This will provide 63-70 projects to further community education.

4. Career education--In 1975, $10,000,000 was funded for discretionary programs under a different authority. In fiscal year 1976, $7,000,000 is being requested for discretionary funds under the Special Project Act. That same act requires a fixed percent for mandated programs, which provides $3,135,000 for this program. The net result for this program is a $135,000 increase above the fiscal year 1975 level.

5. Consumer education--This is a new program based on new enacted legislation, the Special Project Act. This amount will provide 238 to 253 awards to promote consumer education.

6. Women's educational equity--This is a new program based on new enacted legislation, the Special Project Act. This amount will provide approximately 49-61 projects for demonstration and diffusion purposes.

7. Arts in education programs--This activity is being funded under new enacted legislation, the Special Project Act, which requires a minumum of $750,000 to be funded for arts in education. The increase of $250,000 brings this activity up to the required level in fiscal year 1976.

8. Packaging and field testing--The increase of $2,100,000 will provide the Commissioner the necessary funds to accelerate the development and demonstration of products to meet the demands from the education community. This activity was previously funded under the Cooperative Research Act.

INNOVATIVE AND EXPERIMENTAL PROGRAMS

Obligations by Activity

Appropriation/Activity

Innovative and Experimental Programs	1975 Estimate	1975 Revised	1976 Estimate	Change
1. Metric projects.............	---	---	2,090,000	+2,090,000
2. Gifted and talented.........	---	---	2,560,000	+2,560,000
3. Community schools...........	---	---	3,553,000	+3,553,000
4. Career Education............	10,000,000	10,000,000	10,135,000	+ 135,000
5. Consumer education..........	---	---	3,135,000	+3,135,000
6. Women's educational equity..	---	---	6,270,000	+6,270,000
7. Arts in education programs..	500,000	500,000	750,000	+ 250,000
8. Packaging and field testing.	1,400,000	1,400,000	3,500,000	2,100,000
9. Educational TV programming..	7,000,000	7,000,000	7,000,000	---
Total...............	18,900,000	18,900,000	38,993,000	+20,093,000

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Other services:				
Project contracts........	17,000,000	17,000,000	24,443,614	+ 7,443,614
Grants, subsidies and contributions....	1,900,000	1,900,000	14,549,386	+12,649,386
Total Obligations....	18,900,000	18,900,000	38,993,000	+20,093,000

Authorizing Legislation

Legislation	1976 Authorized	 Appropriation requested
Education Amendments of 1974:		
Title IV		
Section 403, Metric System of Measurement ...	$ 10,000,000	$2,090,000
Section 404, Gifted and Talented Children ...	12,250,000	2,560,000
Section 405, Community Schools	17,000,000	3,553,000
Section 406, Career Education	15,000,000	3,135,000
Section 407, Consumers' Education	15,000,000	3,135,000
Section 408, Women's Educational Equity	30,000,000	6,270,000
Section 409, Elementary and Secondary School Education in the Arts...........................	1/	750,000
Section 402, Packaging and Field Testing ....)	100,000,000	3,500,000
Educational TV Programming ....)		7,000,000
Career Education ....)		7,000,000

1/ Not less than $750,000.

INNOVATIVE & EXPERIMENTAL PROGRAMS

YEAR	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1968	$ 1,340,000	$ 1,340,000	$ 1,340,000	$ 1,340,000
1969	1,330,000	1,330,000	1,330,000	1,330,000
1970	1,550,000	1,550,000	1,550,000	1,550,000
1971	1,700,000	1,700,000	1,700,000	1,700,000
1972	7,000,000	7,000,000	7,000,000	7,000,000
1973	7,000,000	7,000,000	7,000,000	7,000,000
1974	3,000,000	3,000,000	3,000,000	3,000,000
1975	21,000,000	19,200,000	20,650,000	18,900,000
1976	38,993,000			

Justification

Innovative and Experimental Programs

	1975 Estimate	1975 Revised	1976 Estimate	Change
1. Metric projects...........	$ ---	$ ---	$ 2,090,000	$+2,090,000
2. Gifted and talented........	---	---	2,560,000	+2,560,000
3. Community schools..........	---	---	3,553,000	+3,553,000
4. Career education...........	10,000,000	10,000,000	10,135,000	+135,000
5. Consumer education.........	---	---	3,135,000	+3,135,000
6. Women's educational equity.	---	---	6,270,000	+6,270,000
7. Arts in education programs.	500,000	500,000	750,000	+250,000
8. Packaging and field testing	1,400,000	1,400,000	3,500,000	+2,100,000
9. Educational TV programming.	7,000,000	7,000,000	7,000,000	---
Total..................	18,900,000	18,900,000	38,993,000	+20,093,000

General Statement

The Special Projects Act as contained in the Education Amendments of 1974, replaces the previously authorized Cooperative Research Act of 1954, and confers upon the Commissioner authority to carry out special projects for experimentation with new educational methods and practices; for meeting special educational needs and; for emphasis on national educational priorities. To this end, programs have been designed which reinforce and expand capacity building efforts in State and local educational agencies. Proposed activities in these programs include support grants, information clearinghouses, training or retraining of educational personnel, and the provision of technical assistance or other expertise and evaluation.

The legislation contains two distinct parts. The first of these consists of the following contract and/or grant programs established by statute:

1. Education for the Use of the Metric System of Measurement.
2. Gifted and Talented Children.
3. Community Schools.
4. Career Education.
5. Consumers' Education.
6. Women's Equity in Education.
7. Arts in Education Programs.

Not less than 50 percent of the funds appropriated in any given fiscal year under the Special Projects Act must be allocated to these seven program areas, according to a precise statutory allotment formula.

The second set of activities is subsumed under very broad contract authority, under which the Commissioner may elicit proposals at his own discretion, according to priorities or problems he has designated.

Three areas of emphasis have been selected by the Commissioner for fiscal year 1976. These include:

1. Educational Television Programming (including support for the CTW programs-Sesame Street, The Electric Company and similar activities).
2. Career Education (added funds to those earmarked under the "mandated" programs.
3. Packaging and field testing (continuation of the identification, validation, and dissemination process for exemplary educational projects).

As is required by law, a proposed spending plan covering the entire Special Projects Act has been submitted to the House Committee on Education and Labor and the Senate Committee on Labor and Public Welfare. Such plan is consistent with the justification following this statement.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Metric Education	---	---	$2,090,000	+$2,090,000
New awards	---	---	$2,090,000	+$2,090,000
Number	---	---	64-73	64-73

Narrative

Program Purpose

The Purpose of the Metric Education Program is to encourage educational agencies and institutions to prepare students to use the metric system measurement. This program is authorized by the Education Amendments of 1974 Title IV Section 403.

These grants or contracts are for purposes of initiating or testing model metric education programs as well as expending present and promising programs which are currently underway. The Metric Education Program will support the following activities during academic year 1975-76:

(1) Instructional programs for students in 48-55 local educational agencies which will incorporate the International System of Units (SI) concepts into the regular curriculum on an interdisciplinary basis. The amount needed will be $1,040,000.

(2) Skills development programs for 900 teachers which will be supported at 10-15 institutions of higher education to enhance their understanding as well as their effectiveness in the teaching and use of the International System of Units (SI). The amount needed will be $300,000.

(3) The reinforcement of the International System of Units concepts in the classroom, and through other than traditional classroom techniques, the teaching of parents and other members of the general public. Such reinforcement concepts will be embodied as an integral part of all projects approved for funding. The amount needed will be $550,000.

(4) The enhancement of the probability and accessibility of SI instructional services. Two mobil SI instructional laboratories will be equipped on a model testing basis to serve both urban and rural communities with operational sites ranging from school campuses to shopping center parking lots. The amount needed will be $50,000.

(5) The extension of program quality. A technical support grant or contract will provide expert services to all interested educational agencies. Approximately $200,000 will be needed for this program and the preceding mobil lab projects. The amount needed will be $150,000

This is a new program which will provide grants or contracts to eligible applicants from institutions of higher education, State and local educational agencies, and other public and private nonprofit agencies, organizations, and institutions. Applications will be made to the Commissioner of education.

Accomplishments for fiscal year 1974 and 1975

This is a new program beginning in fiscal year 1976.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Gifted and talented.............	---	---	$2,560,000	$+2,560,000
New awards..................	---	---	2,560,000	+2,560,000
Number....................	---	---	20-26	+20-26

Narrative

Program Purpose

The purpose of the gifted and talented children program is to assist State and local educational agencies and other public and private nonprofit groups in the planning, development, operation and improvement of programs and projects designed to meet the special educational needs of gifted and talented children at the preschool and elementary and secondary school levels: and to train teachers and leadership personnel and to disseminate information to the public. This program is authorized by the Education Amendments of 1974, Title IV, Section 404.

Plans for fiscal year 1976

In order to meet the varied and comprehensive needs of the gifted and talented population, the primary emphasis will be on coordination of activities by the States, and the support of State agencies, encouraging them in cooperation with local, other public and private agencies to initiate a broad spectrum of activities.

The following objectives have been selected:

(1) To provide a broadened range of special educational services for gifted children, including extended teacher training and replication of State and local educational agency programs for these youths. This objective would be accomplished by funding projects which (a) demonstrate coordinated comprehensive services supplied by State and local agencies and institutions of higher education or (b) integrate proven successful practices.

(2) To demonstrate activities of exemplary nature which show response to major identifiable needs for special target groups, e.g., career education, culturally different, bilingual, handicapped and educationally disadvantaged.

Proposals will be solicited for exemplary projects which have national implications. Projects must demonstrate high probability of success and replicability and an economy of resources. Federal funds will not be used for basic support - however a clearinghouse will provide critical additional services and activities which promote validation of the model, and its evaluation, replication and dissemination.

(3) To train a group of leaders through academic institutions and State, local and national internships, to provide communication, technical support, training, and education information products to local, State, regional and national educational agencies and associations.

Academic institutions will be encouraged to apply for one major grant where potential and current leaders will be trained for further and higher level work. The program will provide for rotational assignments among the member institutions and as interns with national, regional or local organizations.

The technical support will provide educational services, training, planning, evaluation and educational information products to local and State educational agencies and national associations and organizations. It will also be supportive of the projects funded under the State and local leadership training model program.

(4) To identify the critical information and material needs of practitioners and design, develop and disseminate information packages on already known and most needed products.

An analysis of requirements will be funded to determine which materials are most needed by teachers, administrators, parents and students. A contract will be issued to design, development and dissemination of several products.

Accomplishments for fiscal year 1974 and 1975

This is a new program beginning in fiscal year 1976.

SUPPLEMENTARY FACT SHEET

Gifted and Talented

	1975 Estimate	1976 Estimate
Total		
Contracts and Grants Proposed		
Amount	---	$2,560,000
Number	---	20-26
Objective		
1. Grants and Contracts to Strengthen State and Local Efforts, Exemplary Programs and Training of Teachers		
Amount	---	$1,760,000
Number	---	12-15
2. Grants and Contracts to Identify, Validate, and Disseminate Best Practices		
Amount	---	$ 250,000
Number	---	5-8
3. Grants or Contracts to Train National Leadership Personnel and Provide a Communication System		
Amount	---	$ 425,000
Number	---	2
4. Grant or Contract to Identify Critical Information Material Needs		
Amount	---	$ 125,000
Number	---	1

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Community Schools	---	---	$3,553,000	+3,553,000
New awards	---	---	$3,553,000	+3,553,000
Number	---	---	63 - 70	+63 - 70

Narrative

Program Purpose

The purpose of the Community Schools Activity is to provide educational, recretional, cultural, and other related community services in accordance with the needs, interest, and concerns of the community, through the establishment of community education programs as centers for such activities carried out in cooperation with other community groups, organisations, and agencies. Grants are available to State and local educational agencies to further community education programs and to institutions of higher education for training. This activity is authorized by the Education Amendments of 1974, Title IV, Section 406.

Plans for fiscal year 1976

In furthering community education throughout the country, the Community Schools Act will provide the following:

(1) Competitive project grants to local educational agencies to establish, expand or improve, and maintain community education programs within that LEA. Project grants will be equitably distributed geographically throughout the United States in urban and rural areas.

(2) Competitive grant awards to State educational agencies for the purposes of building the capacity of SEA's to administer community education and to assist local educational agencies in planning, establishing, expending, or maintaining community education.

(3) Competitive project grants to institutions of higher education to develop and establish, or to expand, programs which will train persons to plan and operate community education programs.

(4) Technical assistance and information will be made available to community education programs and State educational agencies.

The Special Projects Act specifies the per centum of funds allotted to institutions of higher education for training. Of the amount available for State and local educational agencies, the Act states that "fifty percent of the funds shall be available for grants to State educational agencies. The remainder shall be available for grants to local educational agencies."

The following table shows the distribution of funds as required by law:

Table

Grants to State educational agencies	1,539,693
Grants to local educational agencies	1,539,693
Subtotal	3,079,386
Grants to higher education institutions for training	473,614
TOTAL	4,553,000

Accomplishments for fiscal year 1974 and 1975

This is a new program beginning in fiscal year 1976.

SUPPLEMENTARY FACT SHEET

Community Education Program

Fiscal Year Program Year	1976 Estimated 1976 - 1977
Appropriation	$3,553,000 (Request)
(1) Estimated Number of Grants	63 - 70[1/]
(2) Grants to local educational agencies to establish, expand or improve and maintain community education programs within the LEA.	
Amount	$1,564,000
Estimated Number:	30 - 35
(3) Grants to assist State educational agencies for purposes of creating or building State capacity to administer community education and assist local educational agencies in planning, establishing, expanding, and maintaining community education programs.	
Amount	$1,564,000
Number:	30
(4) Grants to institutions of higher education to train persons to plan and operate community education programs.	
Amount:	424,000
Number:	3-5

[1/] All figures are estimates for the first year of the program.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Career Education	$10,000,000	$10,000,000	$10,135,000	$+135,000
Non-competing continuations..	---	---	4,000,000	+4,000,000
New awards..................	10,000,000	10,000,000	6,135,000	-3,865,000

Narrative

Program Purpose

The career education program has the following purposes:

1. To demonstrate the most effective methods and techniques in career education and to develop exemplary career education models, including models in which handicapped children receive appropriate career education.

2. To support efforts of State educational agencies to develop State plans for implementation by the various States.

3. To provide for the continuing assessment of the stutus of career education and to develop information on the needs for career education for all children; to provide for the training and retraining of parents for conducting career education programs; and to provide for continuing national dialogue and communication on career education. This activity is a multi year funded program. This activity is authorized by the Education Amended of 1974, Title IV, Section 406.

Plans for fiscal year 1976

In order to address the purposes set forth in the legislation, the career education program in fiscal year 1976 will:

1. Support projects to demonstrate the most effective methods and techniques in career education and to develop exemplary career education models, including models in which handicapped children and minority persons receive appropriate career education and models which operate in a variety of settings in which education has not yet occurred to any appreciable degree

2. Provide support to prepare States for the development and implementation of career education plans and programs in the local educational agencies of the States.

3. Provide support for one or two projects to conduct a continuing assessment of the status of and needs for career education, including a reassessment of the stereotyping of career opportunities by race or by sex.

4. Provide support for four or five projects in institutions of higher education, in order to demonstrate effective methods and techniques for the training and retraining persons for conducting career education programs.

5. Provide support for four or five projects designed to continue the national dialogue and communication on career education, including: (a) synthesizing and assimilating knowledge pertinent to career education from a variety of disciplines, (b) assisting local practitioners with the identification and adaptation of career education instructional materials and evaluation materials for local use, and (c) communicating the dynamics involved in creating and operating career education programs through face-to-face interaction of career education practitioners.

Accomplishments for fiscal year 1974 and 1975

Fiscal year 1975 was the first year of funding for the career education program. The following types of activities were initiated:

1. Projects to demonstrate the most effective methods and techniques in career education and to develop exemplary career education models, including models in which handicapped children and minority persons receive appropriate career education and models which operate in settings in which career education has not yet occurred to any appreciable degree.
2. A project to conduct the National Survey and Assessment of the Status of Career Education, as called for in Section 406(e) of Public Law 93-380.
3. Three projects to demonstrate effectiveness methods and techniques for the training and retraining of persons for conducting career education programs.
4. Four projects designed to facilitate national dialogue and communication on career education.

These projects initiated with fiscal year 1975 funds will become operational and begin to have effect in the field during the school year 1975-76.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Consumers' Education Program	---	---	$3,135,000	+$3,135,000
New awards	---	---	$3,135,000	+$3,135,000
Number	---	---	238-253	+ 238-253

Narrative

Program Purpose

The purpose of the Consumer Education Program is to promote consumers' education through research, demonstration, and pilot projects, by developing and disseminating information on curricula; supporting programs at elementary, secondary and higher education levels; and conducting inservice and preservice training. In addition funds may be used to demonstrate, test, and evaluate consumer education activities whether or not funded by this authority. This program is authorized by Title IV, Section 407 of the Education Amendments of 1974.

Plans for fiscal year 1976

To promote consumers education contracts and grants will be provided for:

(1) Assessment and synthesis of 1-3 existing consumers' education efforts in elementary and secondary schools, institutions of higher education, State education agencies and community consumers' education programs with emphasis on development of a base of consumers' education competencies.

(2) Development of 10-12 regional resource centers designed to collect, assess, develop and disseminate curricular materials and examples of promising practices in consumers' education efforts and to conduct inservice and preservice teacher training for elementary and secondary schools, institutions of higher education, and community consumer programs.

(3) Support for four to six regional technical assistance teams to provide resources for development and operation of consumers' education programs in elementary and secondary schools, institutions of higher education, community and libray service areas also involving program promotion, coordination and model identification.

(4) Support for two to five grants for dissemination of existing media materials in elementary and secondary schools, institutions of higher education, State agencies, and community consumers' education programs.

(5) Support for one to three contracts or grants for evaluation of selected existing consumers' education programs in elementary and secondary schools, and institutions of higher education.

(6) Support for approximately 220-230 minigrant projects of up to $10,000 to conduct research, workshops, symposia, seminars, conferences, meetings preservice and inservice teacher training, involving community consumer organizations, elementary and secondary schools, State agencies, institutions of higher education and libraries to assist consumers' in their efforts to acquire an understanding relative to the causes, effects, issues of consumer problems and options available to them.

Accomplishments for fiscal years 1974 and 1975

This is a new program beginning in fiscal year 1976.

SUPPLEMENTARY FACT SHEET

Consumers' Education

Fiscal Year	1975	1976
Program Year	1974-75	1975-76
Appropriation	---	$3,135,000
Total, Contracts and Grants Proposed	---	238-253
Assessments and Synthesis of consumers' education programs in school systems	---	$ 290,000
Number		1-3
Regional technical assistance teams	---	$ 475,000
Number		4-6
Regional resource centers	---	$ 510,000
Number		10-12
Grants for dissemination	---	$ 210,000
Number		2-5
Contracts for evaluation	---	$ 150,000
Number		1-3
Minigrants	---	$1,500,000
Number		220-230

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Women's Educational Equity .	---	---	$6,270,000	+$6,270,000
New awards	—	—	$6,270,000 49-61	+$6,270,000 +49-61

Narrative

Program Purpose

This program will stimulate efforts to ensure educational equity for women at all levels of education through grants and contracts for research and development, evaluation, dissemination, training, guidance and counseling, and support for the improvement and expansion of special and innovative programs. This activity is authorized by Title IV, Section 408 of the Education Amendments of 1974.

Plans for fiscal year 1976

The Women's Educational Equity Program will support projects for demonstration and diffusion purposes in the following areas:

(1) To develop, validate, and utilize training modules on the elimination of sex-sterotyping in education for the use of State and local educational agencies, in institutions of higher education, and for other educational personnel.

(2) To expand or establish training and retraining programs in educational administration, vocational education, career education, physical education, guidance and counseling, and adult education.

(3) To support new educational programs in secondary schools and post-secondary institutions which will provide opportunities to girls and women for entrance into careers from which they have traditionally been excluded.

(4) To disseminate through national and regional workshops of technical assistance materials on compliance with Title IX (Public Law 92-318), in such areas as school finance, affirmative action, elimination of sex-role stereotyping, and counseling.

(5) To identify and disseminate information about projects that focus on equalizing educational opportunities for women and girls. This will be provided through the establishment of a clearing house.

(6) Promotion of educational leadership through small grants for the support of innovative approaches to the achievement of educational equity of women.

Accomplishments in fiscal year 1974 and 1975

This is a new program beginning in fiscal year 1976.

SUPPLEMENTARY FACT SHEET

Women's Educational Equity Program

Fiscal Year	1976
Program Year	1976-77
Appropriation	$6,270,000 (request)
1. Development of materials for training:	
a. Modules on elimination of sex-stereotyping	
Number of Projects	6 - 9[1]
Cost range	50,000 - 200,000[2]
Personnel in State and local educational agencies and institutions of higher education	400 - 600
b. Technical Assistance materials for national and regional workshops on compliance with Title IX (P.L. 92-318)	
Number of Projects	10 - 12[3]
Cost	70,000 - 90,000
Personnel in agencies and institutions. affected by Title IX	500 - 800
2. Training projects	
a. New or expanded programs in educational, administration, vocational education, career education, physical education, guidance and counseling, adult education	
Number of Projects	8 - 12
Cost	150,000 - 200,000
Number of participants (preservice and inservice)	150 - 225
b. Programs in secondary schools and postsecondary institutions that provide new career options to girls and women	
Number of Projects	7 - 10
Costs	145,000 - 175,000
Number of participants	125 - 200
3. Survey, evaluation, and dissemination of information about projects which focus on equalizing educational opportunities for women	
Number of Projects	1
Cost	450,000 - 550,000[4]
Participants	5

4. Small grants to support innovative approaches to the provision of educational equity

Number of Projects	15 - 20
Cost	10,000 - 15,000
Individuals involved	50 - 100

1/ All figures are estimates for the first year of the program.

2/ Projects may be for planning only, or for planning and one or more implementation stages-validation, small-or large-scale utilization.

3/ At least one for each region.

4/ Minimum number of individuals conduct study; recipients of information would be women's associations, women's studies programs at secondary and post-secondary levels, school districts.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Arts in Education Program	500,000	500,000	750,000	+$700,000
New awards	500,000	500,000	750,000	750,000
Number	1	1	33	33

Narrative

Program Purpose

The purpose of this program through arrangements made with the John F. Kennedy Center, for the Performing Arts, is to encourage and assist State and local educational agencies to establish and conduct programs in which the arts are an integral part of elementary and secondary education. This activity is authorized by Title IV, Section 409 of the Education Amendments of 1974.

Plans for fiscal year 1976

In order to encourage educational programs in which the arts are an integral part of the following activities will be supported:

(1) demonstrations and exhibitions of exemplary arts education projects from an estimated 25 States will be held at the Kennedy Center for an estimated 1,000 participants and 50,000 viewers;

(2) contracts to approximately 40 States or local educational agencies to develop and execute comprehensive plans for arts education. This will be accomplished through coordination with the Kennedy Center;

(3) a national arts education workshop-conference for State delegates will be held at the Kennedy Center;

(4) workshops and seminars (approximately 12) for teachers and students (approximately 1,200) from 24 States will be held at the Center;

In addition, evaluative summaries of the outstanding comprehensive arts education programs will be distributed to all the States by the Office of Education, and a descriptive brochure on the joint program of the Office of Education and the Kennedy Center entitled "Alliance for Arts Education" (AAE) will be prepared and distributed to all States by the Office of Education.

Accomplishments in fiscal year 1974 and 1975

Utlizing fiscal year 1974 program administration funds, the Arts and Humanities Staff, in cooperation with the Kennedy Center Staff, provided support for all of the following:

(1) Three regional workshops for delegates (at least 3 from each) from all 50 States, D. C., and the Bureau of Indian Affairs.

(2) Thirty-six State-based arts education projects, including State-wide arts education (AAE) coordinating committees.

(3) Twenty exhibitions or demonstrations of exemplary State arts education programs at the Kennedy Center and in the States.

(4) Thirteen theatrical and twelve musical performances at the Center by outstanding college and university groups.

(5) A directory of key arts education personnel in all the States.

(6) Development of guidelines, regulations and funding criteria.

(7) Consultation with State alliance for arts education committees, SEA's and LEA's.

(8) Development of planning papers for the Arts in Education Program.

(9) Joint planning with Kennedy Center staff.

SUPPLEMENTARY FACT SHEET

Arts Education

	FY 1974	FY 1975	1976 Estimate
Appropriation	$500,000	$500,000	$750,000
Program			
a. Kennedy Center[1]			
Number of grants...............	2	2	2
b. State Educational Agencies and Local Educational Agencies			
Number of grants[2]..............	36	38	40

1/ Kennedy Center program provides for technical assistance to States, dissemination activities and demonstrations of State-based programs.

2/ State Educational Agency programs provide for coordination of State-wide arts education resources.

	1975 Estimate	1975 Revised	1976 Estimate	Decrease or Decrease
Packaging and Field-Testing	$1,400,000	$1,400,000	$3,500,000	$+2,100,000
New awards............	600,000	600,000	3,500,000	+2,900,000
Number..............	(2)	(2)	(3)	(+1)
Non-competing continuing awards......	800,000	800,000	-0-	-800,000
Number..............	(1)	(1)	(0)	(-1)

Narrative

Program purpose

To accelerate the replication of successful approaches and products developed and demonstrated in State and discretionary grant programs supported by the Office of Education, this activity has been authorized by Title IV, section 402 of the Education Amendments of 1974. That legislation authorizes the Commissioner to carry out special projects to experiment with new educational and administrative methods, techniques, and practices to meet special or unique educational needs or problems and to place special emphasis on National education priorities.

State Departments of Education, local school districts, and parent advisory councils have requested information from the Office of Education on successful programs for the teaching of children, particularly the disadvantaged. This program was therefore designed to enable local educational agencies to replicate those practices and projects that have been developed with a Federal investment and which have been validated as successful.

Six distinct steps have been defined to accomplish the goals of this program: (1) the systematic search and identification of effective projects supported by the Office of Education; (2) final validation of the apparent success of these projects or components based on learning outcome measures, such as student test scores, and input measures, such as the resource requirements, needed to achieve these measurable results; (3) the physical boxing of the validated approaches into "project information packages" which include descriptions of the management, instructional, and supplementary resources and strategies deemed essential for achieving success by developers at the original site; (4) the replication of the approaches through the installation of each packaged model in several school sites; (5) a final revision of the packages based on an evaluation of the replication effort at these school sites; and (6) the development and implementation in conjunction with State education agencies of a dissemination strategy whereby packaged programs which are successfully replicated will become available for wider distribution.

Emphasis in the first two years of this program was given to the identification, validation and packaging of compensatory reading and math instructional programs for educationally disadvantaged children. Subsequent packaging efforts will extend to a wider range of program areas in the Office of Education.

The entire process is largely an evaluation effort and the scope of work for evaluation work generally exceeds a 12 month period.

Plans for fiscal year 1976

In order to continue activities relating to the field test evaluation of both the first set of six and the second set of twelve project information packages, $3,500,000 is being requested. In school years 1975-76 and 1976-77, an amount of $1,000,000 will support the evaluation of the two stage process of installing in various school sites around the country the first set of project information packages (six programs) which will have been previously field-tested, evaluated and revised. The first step in this process will occur in the second half of school year 1975-76 when announcements about these six revised packages are mailed to various LEA's around the country and some (presently estimated at 60) of those LEA's determine to implement one of the programs. The second step is the actual implementation process which will take place the following year, school year 1976-77. An evaluation contract for about an 18 month period will cover both stages of this process. Multi-year funding is planned for this process since the selection of project information packages by sites one year leads directly into the use of those packages at the sites the following year.

In addition, a multi-year contract for $2,300,000 will be let to cover the initial two stage process relating to the field testing of the second set of project information packages (12 projects): (a) during school year 1976-77, the field test of these packages will be designed and the process whereby available PIPS are selected by school districts will be analyzed; (b) in the succeeding school year, 1977-78, the first year of the actual field test of the 12 new packages will be conducted.

Finally, in order to promote wider adoption of the project information packages, $200,000 is budgeted to develop and implement a dissemination strategy with the assistance of the State education agencies.

Accomplishments in fiscal years 1974 and 1975

This program was initiated in fiscal year 1973 with funds authorized under the General Education Provisions Act, Section 411 and under Title III Section 306 of the Elementary and Secondary Education Act. During school year 1973-74, six (6) effective compensatory educational programs were identified, thoroughly analyzed and then physically packaged into individual portable cardboard containers. These project information packages (PIPS) include: (1) a starter kit for planning, (2) a project management directory, (3) project management displays, (4) guidelines for hiring and training project staff, (5) a starter set for implementation, (6) a classroom management directory for project teachers, (7) a student relationships album, (8) a professional relationships guide, and (9) a hardware/software packet.

In school year 1974-75 the six packaged programs were installed and the process of implementation is being evaluated at a cost of $829,228 at 17 school districts in a total of 53 schools for the first of a two-year replication effort.

With fiscal year 1975 funds, the program is being continued at a cost of $1,400,000 under the authority of the Cooperative Research Act as amended. The field testing of the original six PIPS will be continued in school year 1975-76. The primary focus of the evaluation this school year will be on comparing academic achievement results of students at these sites with academic achievement results obtained at the sites where the programs were first developed to see the extent to which the gains that were produced by the original program can be duplicated in new settings by the packaging effort. Meanwhile, during the summer and fall of 1975, the packages will be undergoing a process of modification and revision to eliminate implementation problems identified during the initial field test in school year 1974-75. (It is these revised PIPS which will be more widely implemented in school year 1976-77 as described above.) Finally, to initiate the development of a second set of PIPS, a contract will be let to conduct the search for up to 12 new validated programs and the process of incorporating their essential components into project information packages.

Supplemental Fact Sheet 1

The table below describes the progression of two sets of Project Information Packages (PIPs) from the search for successful projects through implementation of tested packages in schools. It shows how amounts appropriated in the designated fiscal year are used for different stages of the process in succeeding school years.

School year:	1973-74	1974-75	1975-76	1976-77	1977-78
First Set of PIPs					
1. Search and Development of Packages	FY 73 ($397,049)				
2. Field Test Evaluation		FY 74 ($829,228)	FY 75 ($800,000)		
3. Modification of Packages			FY 75 ($100,000)		
4. Implementation/Evaluation			FY 76 ($1,200,000)	FY 76	
Second Set of PIPs					
5. Search and Development of Packages			FY 75 ($500,000)		
6. Field Test Evaluation				FY 76 ($2,300,000)	FY 76
7. Modification of Packages*					
8. Implementation/Evaluation*					

Notes (keyed to the eight tasks in the table):

1. Search for successful projects and development of the first six PIPs.
2. Field test of first six PIPs in 53 schools across the country in 1974-75 and 1975-76.
3. Modification of first six PIPs based upon evaluation of the field test.
4. Evaluate the implementation of successful PIPs in new schools.
5. Search for successful projects and develop second set of twelve PIPs.
6. Field test of second set of PIPs. Evaluation of start-up activities in school year 1976-77 and classroom use of PIPs in 1977-78 and 1978-79.
7. Modification of second set of PIPs based upon field test.*
8. Evaluate the implementation of successful PIPs from second set in new schools.*

* To be funded out of appropriations in later years.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Educational TV programming	$7,000,000	$7,000,000	$7,000,000	---
Non-competing continuations	$5,500,000	$5,500,000	$4,000,000	$-1,500,000
Number	1	1	1	---
New awards	$1,500,000	$3,000,000	$3,000,000	$+1,500,000
Number	5-15	5-15	5-15	---

Program purpose

The purpose of this program is to provide funds in support of development, production and installation of educational television programs, which demonstrate an ability to help children and adults learn.

In previous years, this program has been funded under the Cooperative Research Act authority. This program is now authorized by the Education Amendments of 1974, Title IV, section 403.

Plans for fiscal year 1976

To support the development and demonstration of innovative educational programs, which demonstrate an ability to help children and adults learn, especially the "disadvantaged" in their school or at home competitive contracts will be awarded to develop and demonstrate educational television programming.

An estimated $4 million will be available for the Children's Television Workshop (CTW), producers of Sesame Street and the Electric Company. This will provide funds for ongoing programs.

In addition, the remaining $3 million would be used to (1) probe the utility and/or the development potential of audio or television programs as an effective vehicle to provide supplemental education to adolescents in patterns similar to Sesame Street and the Electric Company; (2) develop educational television programs that will begin to acquaint the general population with the need to understand, and the ability to use the metric system of weights and measures; (3) develop programs that will assist the public in acquiring and understanding the causes, effects, issues, and options of consumers' education; (4) a program on the performing arts, and (5) programs dealing with preschool children and Community Education.

Accomplishments in fiscal year 1974 and 1975

In fiscal year 1974 and 1975, a major grant was awarded to the Children's Television Workshop for the production activities associated with Sesame Street and the Electric Company, $3,000,000 in 1974 and $5,500,000 in 1975. The focus of Sesame Street is on basic reading and arithmetic skills for preschool children. The Electric Company provides instruction in basic reading skills for children, ages 7-10. In the 1974-1975 season, Sesame Street will experiment with new goals in fostering imaginative thinking in preschool children and will explore approaches to career education, particularly as that relates to sex stereotyping. The Electric Company will maintain a basic curriculum of reading instruction, but will attempt further to nourish an understanding of the fundamental concepts and processes underlying language and reading. The sixth season of Sesame Street will consist of 130 hour-long color television programs to begin broadcast in November of 1974. The fourth season of the Electric Company will consist of 130 color half-hour programs to begin broadcast in October 1974.

The audience of Sesame Street during fiscal year 1974 was estimated at approximately ten million children, the vast majority of them preschool children. The audience for the Electric Company is estimated at six-million with approximately three million students viewing the programs in classrooms.

In fiscal year 1975, the remaining funds ($1.5) will be used to look into the feasibility, approach, methods to be followed, classroom or world of work follow-up and reinforcement to the various educational TV activities we are proposing for fiscal year 1976.

	1975	1976
Sesame Street and Electric Company	$5,500,000	$4,000,000
Other Programs	$1,500,000	$3,000,000

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishments

Activity: Metric Education

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$ ---	$ ---	$10,000,000	$2,090,000

Purpose: The purpose of the Metric Education Program is to encourage educational agencies and institutions to prepare students to use the metric system of measurement. This program is authorized by Title IV, section 403 of the Education Amendments of 1974.

Explanation: Applications are received from institutions of higher education, State and local educational agencies, and other public and private nonprofit agencies, organizations, and institutions. Applications will be made to the Commissioner of Education who will make grants or contracts to those eligible. Applications from local educational agencies must be approved by the States.

Accomplishments in fiscal year 1975: This is anew program beginning in fiscal year 1976.

Objectives for 1976: To incorporate the International System of Units (SI) concepts into the regular school curriculum on an interdisciplinary basis. Skills development programs will be supported at 10 to 15 institutions of higher education to enhance teachers' understanding of the International System of Units (SI). Two mobile SI instructional laboratories will be equipped on a model testing basis to serve both urban and rural communities. To extend program quality, a technical support grant or contract will provide expert services to all interested educational agencies.

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishments

Activity: Gifted and talented children

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
---	---	$12,250,000	$2,560,000

Purpose: The purpose of this program is to assist State and local educational agencies and other public and private nonprofit groups in the planning, development, operation and improvement of programs designed to meet special educational needs of gifted and talented children at the preschool and elementary and secondary school levels, and to train teachers and leadership personnel and to disseminate information to the public. This program is authorized by Title IV section 404, of the Education Amendments of 1974.

Explanation: The Commissioner will make grants to State and local educational agencies. Any State or local education agency shall submit an application to the Commissioner. Local educational agencies must have approval from the State agency. The Commissioner will also designate a clearinghouse to obtain and disseminate information to the public.

Accomplishments in 1975: This is a new program beginning in fiscal year 1976.

Objectives for 1976: In order to meet the varied and comprehensive needs of the gifted and talented population the primary emphasis will be on coordination of activities by the States, and encouraging them in cooperation with local, and other public and private agencies to initiate a broad spectrum of activities.

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishments

Activity: Community schools

1975 Estimate	1975 Revised	1975 Authorization	1975 Budget Estimate
$ ---	$ ---	$17,000,000[1/]	$3,553,000

1/ $15, million for grants to State educational agencies; $2 million for training grants to institutions of higher education.

Purpose: This program will provide educational, recreational, cultural, and other related community services in accordance with the needs, interests, and concerns of the community, through the establishment of community education programs and to institutions of higher education for training. This program is authorized by Title IV, Section 405 of the Education amendments of 1974.

Explanation: Grants are made to State and local educational agencies and to institutions of higher education. Applications shall be submitted to the Commissioner. Fifty percent of the grants will be made to the States and 50 percent to the local education agencies.

Accomplishments in 1975: This is a new program beginning in fiscal year 1976.

Objectives for 1976: To establish, expand or improve community education programs. Project grants will be equally distributed geographically throughout the U S. in urban and rural areas. Competitive grants will be made to States to administer community education programs. Competitive grants will be given higher education institutions to develop or expand programs to train persons to operate community education programs.

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishments

Activity: Career education

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$10,000,000[1]	$10,000,000[1]	$15,000,000	$10,135,000[1]

[1] "Career Education" was funded in fiscal year 1975 under the cooperative research research authority.

Purpose: This program has the following purposes:

1. To demonstrate the most effective mentods and techniques in career education and to develop exemplary career education models, including models in which handicapped children receive appropriate career education.

2. To support efforts of State educational agencies to develop State plans for implementation by the various States.

3. To provide for the continuing assessment of the status of career education and to develop information on the needs for career education for all children; to provide for the training and retraining of persons for conducting career education programs; and to provide for continuing national dialogue and communication on career education.

This program is authorized by Title IV, Section 402 and 406 of the Education Amendments of 1974. This activity is a multi year funded program.

Explanation: Grants are made to State and local educational agencies, institutions of higher education, and other nonprofit agencies and organizations. Grants are made to State educational agencies to enable them to develop State plans for the development and implementation of career education programs in the local educational agencies of the States.

Accomplishments in 1975: Fiscal year 1975 was the first year of funding for the career education program. Support was given to approximately 100 projects to demonstrate the mose effective methods and techniques in models in which handicapped children and minority persons received appropriate career education and models which operate in settings in which career education has not yet occured to any appreciable degree.. In addition, support was given for (1) three projects to demonstrate effective methods and techniques for the training and retraining of persons for conducting career education programs; (2) four projects designed to facilitate national dialogue and communication on career education; and (3) a project to conduct the National Survey Assessment of the Status of Career Education, as required under Section 406(e) of Public Law 93-380.

Objectives for 1976: A major objective is to support projects to demonstrate the most effective methods and techniques in career education and to develop exemplary career education models. In addition State educational agencies would be supported to develop State plans for the development and implementation of career education programs in the local educational agencies of the States.

To affect the teacher training approach and attitude toward career education by supporting institutions of higher education, for training and retraining of persons for conducting career education programs.

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishments

Activity: Consumers' education

		1976	
1975 Estimate	1975 Revised	Authorization	Budget Estimate
---	---	$15,000,000	$3,135,000

Purpose: The purpose of this program is to promote consumers' education through research, demonstration, and pilot projects, by developing and disseminating information on curricula; supporting programs at elementary, secondary and higher education levels; and conducting inservice and preservice training. In addition funds may be used to demonstrate, test and evaluate consumer education activities whether or not funded by this authority. This program is authorized by Title IV, Section 407 of the Education Amendments of 1974.

Explanation: Grants are made to, and contracts with, institutions of higher education, State and local educational agencies, and other public and private agencies, organizations, and institutions (including libraries). No grant will be made other than to a nonprofit agency, organization, or institution. An application from a local educational agency will not be approved by the Director unless the State educational agency has been notified of the application and has had an opportunity to offer recommendations.

Accomplishments in 1975: This is a new program beginning in fiscal year 1976

Objectives for 1976: To begin the process of encouraging public awareness of the need for, and benefits of consumer education. In order to accomplish the goal an analysis will attempt to determine the most effective and efficient methods of teaching, disseminating and providing technical assistance in the area of consumers' education.

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishments

Activity: Women's Educational Equity

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$ ---	$ ---	$30,000,000	$6,270,000

Purpose: The purpose of this program is to promote educational equity for women at all levels of education through grants and contracts for research and development, evaluation, dissemination, training, guidance and counseling, and support for the improvement and expansion of special and innovative programs. This program is authorized by the Title IV, Section 408 of the Education Amendments of 1974.

Explanation: Grants are made to, and contracts with, public agencies, and provide nonprofit organizations and with individuals to carry out the purposes of this program. Applications should be submitted to the Commissioner. Additional grants to public and private nonprofit agencies and to individuals, not to exceed $15,000 each will be made in order to support innovative approaches to achieving the purpose of the program.

Accomplishments in 1975: This is a new program beginning in fiscal year 1976.

Objectives for 1976: The objectives for the Women's Educational Equity Program in fiscal year 1976 are (1) to develop training modules on the elimination of sex-stereotyping in education; (2) to expand and establish training and retraining programs in selected educational fields; (3) to support new educational programs in secondary schools and postsecondary institutions which will provide increased opportunities to girls and women for entrance into careers; (4) to disseminate materials on compliance with Title IX (Public Law 92-318); (5) to identify and disseminate information on projects that focus on equality of educational opportunities for women and girls; and (6) to promote educational leadership through small grants for the support of innovative approaches to the achievement of educational equity for women. A clearinghouse will be funded for this program in fiscal year 1976.

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishments

Activity: Arts in education programs

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
\$500,000[1/]	\$500,000[1/]	\$750,000	\$750,000

[1/] The "Arts in Education Program" was funded in fiscal year 1975 under the General Education Provisions Act.

Purpose: The purpose of this program is to encourage and assist State and local educational agencies to establish and conduct programs in which the arts are an integral part of elementary and secondary school programs. This activity is authorized by Title IV, section 409, of the Education Amendments of 1974.

Explanation: Through arrangements made with John F. Kennedy Center for the Performing Arts, grants are made to, and contracts with, State and local educational agencies.

Accomplishments in 1975: In cooperation with the Kennedy Center staff, support was provided for (1) three regional workshops; (2) thirty-six State-based arts education projects; (3) twenty exhibitions or demonstrations of exemplary State arts education programs at the Kennedy Center and the States; and (4) thirteen theatrical and twelve musical performances at the Kennedy Center by outstanding college and university groups. In addition, guidelines, regulations, and funding criteria were developed, as well as a directory of key arts education personnel in all of the States. There was consultation with State alliance for arts education committees (State and local educational agencies), development of planning papers for the arts in education program, and joint planning with Kennedy Center staff.

Objectives for 1976: To identify, demonstrate and exhibit exemplary arts education projects from the various States; to assist local educational agencies in developing and executing comprehensive plans for arts education.

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishments

Activity: Packaging and field testing

1975	1975	1976	
Estimate	Revised	Authorization	Estimate
$1,400,000	$1,400,000	$100,000,000[1]	$3,500,000

[1] This amount is for the Commissioner's discretionary fund of which this program is a part.

Purpose: To accelerate the replication of successful approaches and products developed and demonstrated in Office of Education supported State and discretionary grant programs, this activity is authorized by Title IV, section 402 of the Education Amendments of 1974. That legislation authorizes the Commissioner to carry out special projects to experiment with new educational and administrative methods, techniques, and practices to meet special or unique educational needs or problems and to place special emphasis on national education priorities.

Explanation: The Commissioner is authorized to award contracts on a competitive basis to public and private agencies, organizations, associations, institutions and with individuals in order to carry out the purposes of this activity.

Accomplishments in 1975: Emphasis in the first two years of this program has been given to the identification, validation, packaging and field testing of compensatory reading and math instructional programs for educationally disadvantaged children. With funds appropriated this year under the Cooperative Research Act, six project information packages containing the essential components of projects which proved successful at the sites where they were developed, will be field-tested for a second year and revised. Also, twelve new projects will also be identified and incorporated into project information packages.

Objectives for 1976: The request will be used for (a) a contract to evaluate a larger scale implementation of the six original project information packages, (PIPs), as revised, (b) a contract for a two year process of field testing the second set of twelve PIPs, and (c) the development and implementation with State agencies of a strategy for wider dissemination of field tested packages.

OFFICE OF EDUCATION

Innovative and Experimental Programs

Program Purpose and Accomplishment

Activity: Educational television programming

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$7,000,000	$7,000,000	$100,000,000 1/	$7,000,000

1/ This amount is for the Commissioner's discretionary fund of which program is a part.

Purpose: The purpose of this program is to provide funds in support of development, production and installation of educational television programs, which demonstrate an ability to help children and adults learn, especially the disadvantaged in their school or at home. In previous years this program has been funded under the Cooperative Research Act authority. This program is now authorized by the Education Amendments of 1974, Title IV, Section 403.

Accomplishments in 1975: One major grant was awarded to the Children's Television Workshop for the production activities associated with Sesame Street and The Electric Company. The focus of Sesame Street is on basic reading and arithemetic skills for preschool children. The Electric Company provides instruction in basic reading skills for children, ages 7-10.

Explanation: The Commissioner will make grants as determined necessary by National needs. Children's Television Workshop will be provided additional funds to document their experiences and approaches through the life of the development and demonstration project so they can be shared with the educational community.

Other programs as determined by the Commissioner will provide funds to develop television programs relating to adolescent problems, community education, and other National needs.

Objectives for 1976: To support the development and demonstration of innovative educational television programs, which demonstrate an ability to help children and adults learn, especially the "disadvantaged" in their school or at home.

Innovative and Experimental Programs
Interim Budget

Justification

No funds are needed for this appropriation during the period July 1, 1976 through September 30, 1976. The activities funded under this appropriation would provide grants and contracts after September 30, 1976.

FRIDAY, MARCH 14, 1975.

OFFICE OF EDUCATION

SALARIES AND EXPENSES

WITNESSES

DR. JOHN W. EVANS, ACTING DEPUTY COMMISSIONER FOR PLANNING

DR. T. H. BELL, COMMISSIONER OF EDUCATION

EDWARD T. YORK, DEPUTY COMMISSIONER FOR MANAGEMENT

JACK BILLINGS, ACTING ASSISTANT COMMISSIONER, OFFICE OF PUBLIC AFFAIRS

BERT MOGIN, EVALUATION COORDINATOR

CORA P. BEEBE, ACTING BUDGET OFFICER

BRIAN M. STACEY, BUDGET ANALYST

CHARLES MILLER II, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. FLOOD. This presentation will be made by Dr. John W. Evans, the Acting Deputy Commissioner for Planning. We will place your biographical sketch and your prepared statement in the record at this point.

[Mr. Evans' biography and statement follow:]

Name: John W. Evans.

Position: Acting Deputy Commissioner, Office of Planning.

Birthplace and date: May 5, 1928, Sabina, Ohio.

Education:

Miami University, 1950, Bachelor of Arts;

Ohio State University, 1955, Master of Arts;

Ohio State University, 1960, Doctoral Degree.

Experience:

1974 to present: Acting Deputy Commissioner, Office of Planning.

1973–74: Acting Deputy Commissioner for Planning, Evaluation, and Management.

1970 to present: Assistant Commissioner for Planning, Budgeting and Evaluation.

1967–70: Chief, Evaluation Division, Office of Economic Opportunity.

1966–67: Deputy Assistant Director for Research, United States Information Agency (USIA).

1964–66: Chief, Latin American Research Division, USIA.

1961–64: Survey Research Analyst, USIA.

1957–60: Research Associate, Systems Research Group, Ohio State University.

1954–57: Instructor and Research Assistant, Department of Sociology, Ohio State University.

1950–52: Instructor and Research Assistant, Department of Sociology, Ohio State University.

Association memberships:

American Sociological Association;

World Association for Public Opinion Research;

American Educational Research Association.

Publication: Numerous papers published in various professional journals (e.g., Social Science Quarterly, Harvard Education Review, Britannica Review of American Education).

Mr. Chairman and members of the committee, I am happy to present the fiscal year 1976 request for the salaries and expenses account which totals $112.5 million and represents a net increase of $11.9 million above the 1975 level. This appropriation not only includes program administration activity, but also planning and evaluation, advisory committees, general program dissemination and information clearinghouses.

I would like to turn now to the specifics of our request under each of the activities.

PROGRAM ADMINISTRATION

Our request of $100.7 million and 3,040 positions for program administration is for the management and support of the Office of Education. This represents only 2 percent of the total funds being requested for all education programs being administered by the Office. Our objectives are:

(1) The establishment of staff competency both in the regions and headquarters to insure that recipients of funds in States and local school districts and higher education institutions can have timely and efficient access to technical assistance when needed.

(2) The continued emphasis on modern techniques of evaluation and dissemination of vital information to provide interested groups the data needed to determine the status and progress made in educational programs, and

(3) A constant review of our administrative machinery to insure we are conducting our operations in the most effective and efficient manner.

The budget reflects an increased requirement of $8.8 million and 167 positions. Significant decreases result from the completion in fiscal year 1975 of studies mandated by the Education Amendments of 1974 and in contractual services.

The request for the 167 new positions is in three program areas: First, 117 positions to continue to strengthen the management of the guaranteed student loan program; second, 42 positions to carry out the provisions of the 1974 Special Projects Act which establishes 8 new innovative and experimental programs; and third, 8 positions to administer the expanded higher education incentive grants for State scholarships program. In the case of the guaranteed student loan program increase, 102 of the positions are for field operations and 15 are for the central office. These positions are very cost effective; in fact, we anticipate that each collector will eventually collect eight times the cost of their position.

Other objectives for these units are to make students more aware of their responsibility to repay loans, refining an efficient claims examination process, continue to encourage lender participation in the program, increase collections of student loans, and accelerate litigation of defaulted borrowers.

Additional manpower requirements to address other program priorities in the fiscal year 1976 request will be met through a proposed reallocation of authorized positions from activities proposed for termination or phaseout.

PLANNING AND EVALUATION

For planning and evaluation, we are requesting $9 million for fiscal year 1976. This represents an increase of $2.6 million over the comparable appropriation for fiscal year 1975.

We plan to use the funds to achieve two main objectives; first, to continue studies mandated by Public Law 93-380, and second, to continue to conduct national evaluations of the effectiveness or impact of our major Federal education programs.

As you are aware, in the Education Amendments of 1974, the Congress mandated over 20 new studies and reports. Of these, 10 were supported in this activity in fiscal year 1975. Seven of these will be continued in fiscal year 1976, and will cover various aspects of ESEA, title I, bilingual education, career education, and State uses of Federal evaluation funds. In addition, a study of cooperative education requested in the fiscal year 1975 Senate committee report will also be continued.

To meet the second objective, the conduct of national impact evaluations, we will continue five studies begun in fiscal year 1975 or prior years, and initiate 10 new studies in such areas as vocational education, Indian education, student aid, education of the handicapped, and teacher corps. These studies will provide objective information about the effectiveness of these programs, will help us learn what works, what does not work and why, and also will provide additional input for the gradually expanding annual evaluation report to Congress.

In addition, a portion of the funds, will be used by the Office of the Secretary to conduct approximately 10 planning studies on a variety of major educational problems and issues.

We are now receiving and making use of the results of the studies completed during the last several years. For example, our study of the interest subsidy and default projects identified the magnitude of the default problem and influenced changes in program operations, management, staffing, and regulations. Our study of accreditation and institutional eligibility has influenced new FTC regulations relating to proprietary institutions and has been the basis for testimony on consumer protection before at least three congressional committees. Our study of the bilingual education program has lead to increased emphasis on staff development and training and preparation of instructional materials, which is reflected in our budget request for that program.

ADVISORY COMMITTEES

Funds are requested for 13 public advisory committees that serve the Office of Education. These committees, in addition to performing specific congressionally mandated functions, advise the Commissioner and the Secretary on matters of general policy concerning the administration of respective educational programs. The amount requested for this activity, $2,041,000, is an increase of $360,000 over the 1975 level, and will support full year costs for the advisory committees in 1976, which include the new committees authorized by the Education Amendments of 1974.

DISSEMINATION

We are requesting $500,000, the same level as last year, for general program dissemination activities to enable the Commissioner to carry out his responsibilities to prepare and disseminate information about Office of Education programs to the general public. In addition we are requesting $300,000, twice as much as last year's level for planning, to fund the operations of three new legislatively mandated information clearinghouses. These will collect, analyze, and disseminate information on adult, bilingual, and community education.

I will be glad to respond to your questions.

Mr. Evans. We should all be clear that this appropriation called salaries and expenses includes not only the standard administrative activities—which are under the direction of Mr. York, and he will be speaking to that area—but also planning and evaluation which is under my direct supervision and a small amount of money for public affairs, or what we have called general program dissemination.

Mr. Flood. This is the last appropriation under the 1976 budget for the very important Office of Education. We have gone through various justifications for this budget request. We find out they total almost $8 billion and as usual, some of the justifications are good, and some not so good. In examining the justifications for S. & E., salaries and expenses, we are struck by the almost inexhaustible wealth of information you have provided for this account. You might note it contains 122 pages, all in English. That is much, much more than even the justification for the whole elementary and secondary education appropriation which is $2.2 billion.

Why did you devote so much space to the justification of just $112.5 million when there are other budgets many times greater than that?

Mr. Evans. The answer to that question, Mr. Chairman, is that we are keenly aware that this committee has been critical of OE's program administration. And our S. & E. requests have been reduced. At the same time, the Office of Education is under continual pressure from the Congress, your committee, other committees, and from various constituencies for not monitoring certain programs, not having certain things up to snuff with respect to audits and so on. We also are aware, Mr. Chairman, that the actual amount of personnel and administrative cost per grant dollar and program, have actually been going down, not up. So the general stereotype that we are administratively fat or getting fatter, is not correct. We feel, if we are going to be able to do a proper job on these programs, there is a need to have adequate administrative support.

Mr. Flood. Suppose you insert at this point in the record, the latest organizational chart you have for the Office of Education.

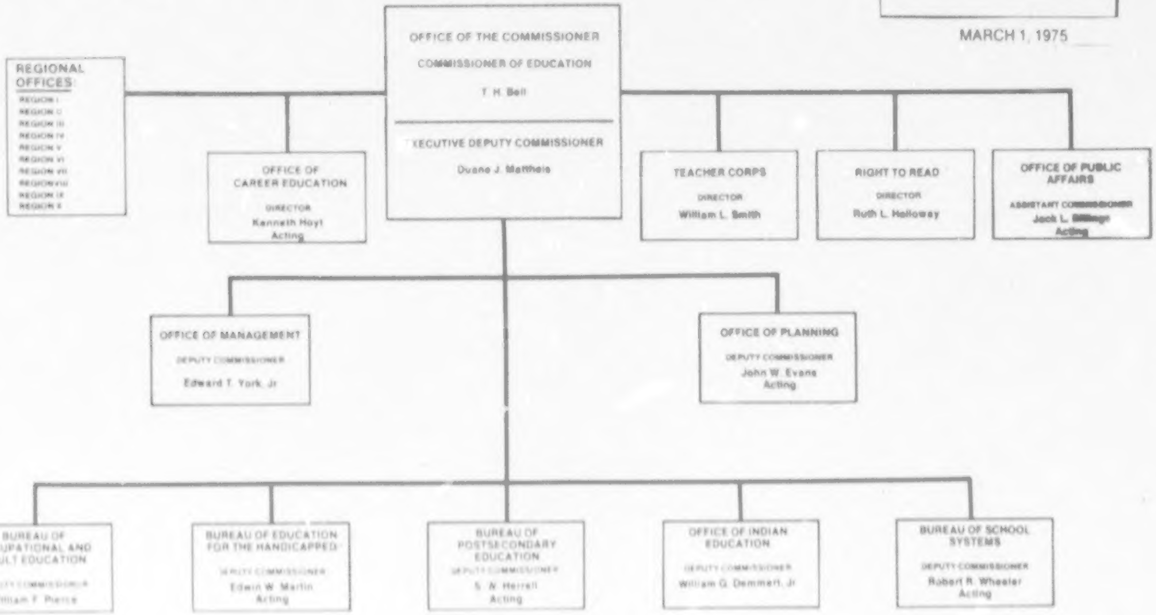
[The charts follow:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
EDUCATION DIVISION
OFFICE OF EDUCATION

M S A D MARCH 1, 1975

APPROVED:
T.H. Bell
T.H.Bell
COMMISSIONER OF EDUCATION

MARCH 1, 1975

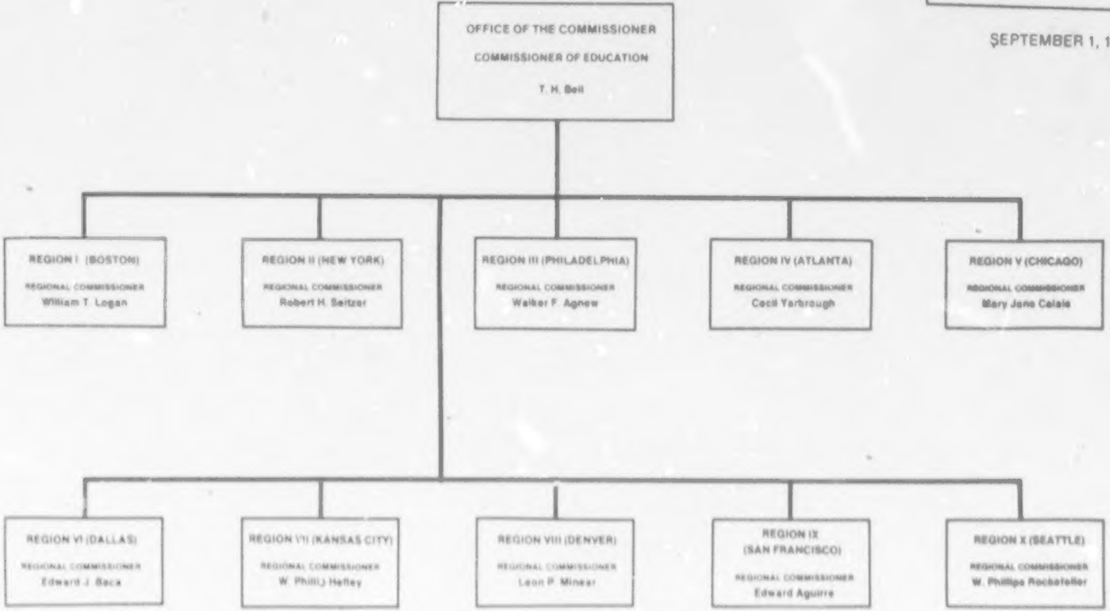

REGIONAL OFFICES:
REGION I
REGION II
REGION III
REGION IV
REGION V
REGION VI
REGION VII
REGION VIII
REGION IX
REGION X
OFFICE OF THE COMMISSIONER
COMMISSIONER OF EDUCATION
T. H. Bell
EXECUTIVE DEPUTY COMMISSIONER
Duane J. Mattheis
OFFICE OF CAREER EDUCATION
DIRECTOR
Kenneth Hoyt
Acting
TEACHER CORPS
DIRECTOR
William L. Smith
RIGHT TO READ
DIRECTOR
Ruth L. Holloway
OFFICE OF PUBLIC AFFAIRS
ASSISTANT COMMISSIONER
Jack L. Billings
Acting
OFFICE OF MANAGEMENT
DEPUTY COMMISSIONER
Edward T. York, Jr
OFFICE OF PLANNING
DEPUTY COMMISSIONER
John W. Evans
Acting
BUREAU OF OCCUPATIONAL AND ADULT EDUCATION
DEPUTY COMMISSIONER
William F. Pierce
BUREAU OF EDUCATION FOR THE HANDICAPPED
DEPUTY COMMISSIONER
Edwin W. Martin
Acting
BUREAU OF POSTSECONDARY EDUCATION
DEPUTY COMMISSIONER
S. W. Herrell
Acting
OFFICE OF INDIAN EDUCATION
DEPUTY COMMISSIONER
William G. Demmert, Jr
BUREAU OF SCHOOL SYSTEMS
DEPUTY COMMISSIONER
Robert R. Wheeler
Acting

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

EDUCATION DIVISION
OFFICE OF EDUCATION
OFFICE OF THE COMMISSIONER
REGIONAL OFFICES

APPROVED:
T. H. Bell
COMMISSIONER OF EDUCATION

SEPTEMBER 1, 1974


OFFICE OF THE COMMISSIONER
COMMISSIONER OF EDUCATION
T. H. Bell
REGION I (BOSTON)
REGIONAL COMMISSIONER
William T. Logan
REGION II (NEW YORK)
REGIONAL COMMISSIONER
Robert H. Seitzer
REGION III (PHILADELPHIA)
REGIONAL COMMISSIONER
Walker F. Agnew
REGION IV (ATLANTA)
REGIONAL COMMISSIONER
Cecil Yarbrough
REGION V (CHICAGO)
REGIONAL COMMISSIONER
Mary Jane Calais
REGION VI (DALLAS)
REGIONAL COMMISSIONER
Edward J. Baca
REGION VII (KANSAS CITY)
REGIONAL COMMISSIONER
W. Phillip Hefley
REGION VIII (DENVER)
REGIONAL COMMISSIONER
Leon P. Minear
REGION IX
(SAN FRANCISCO)
REGIONAL COMMISSIONER
Edward Aguirre
REGION X (SEATTLE)
REGIONAL COMMISSIONER
W. Phillips Rockefeller

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

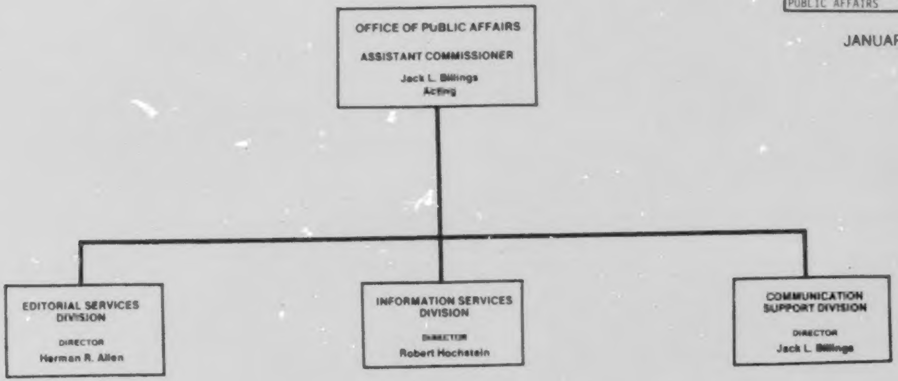
OFFICE OF EDUCATION
OFFICE OF THE COMMISSIONER
OFFICE OF PUBLIC AFFAIRS

APPROVED:

T.H. Bell
COMMISSIONER OF EDUCATION

Jack L. Billings, Acting
ASSISTANT COMMISSIONER FOR
PUBLIC AFFAIRS

JANUARY 1, 1975



OFFICE OF PUBLIC AFFAIRS

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Jack L. Billings
Acting

EDITORIAL SERVICES DIVISION
DIRECTOR
Herman R. Allen

INFORMATION SERVICES DIVISION
DIRECTOR
Robert Hochstein

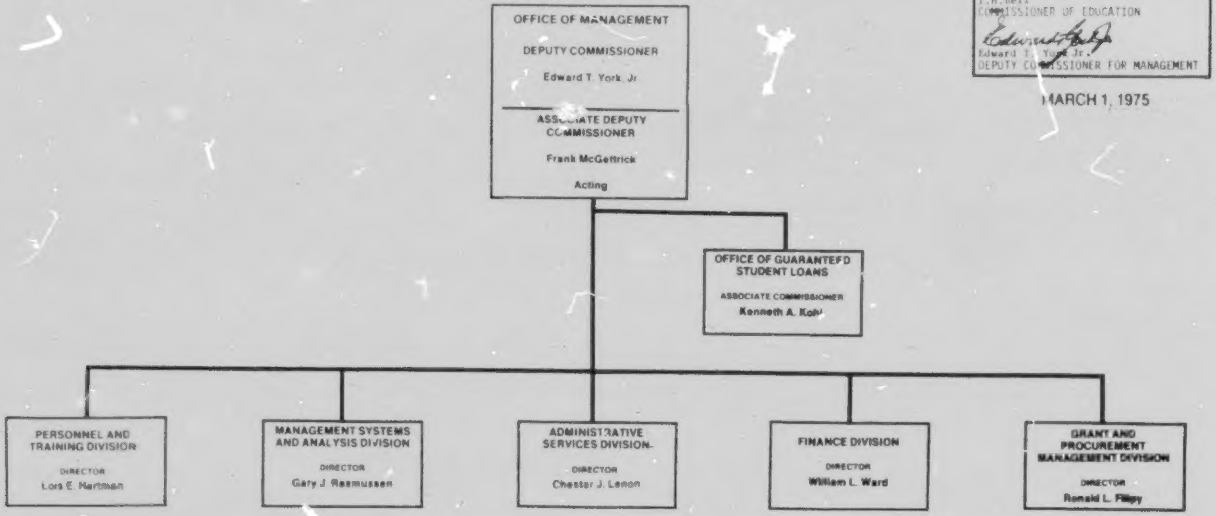
COMMUNICATION SUPPORT DIVISION
DIRECTOR
Jack L. Billings

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION
OFFICE OF MANAGEMENT

APPROVED:
T.H. Bell
COMMISSIONER OF EDUCATION
Edward T. York Jr.
DEPUTY COMMISSIONER FOR MANAGEMENT

MARCH 1, 1975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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

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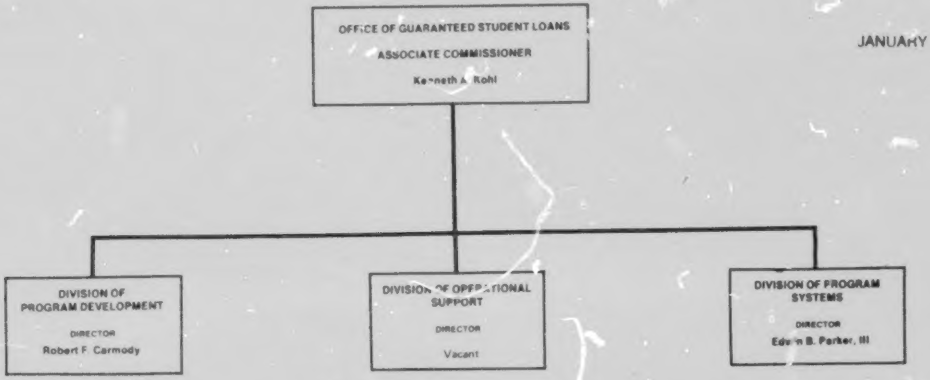
OFFICE OF MANAGEMENT
OFFICE OF GUARANTEED STUDENT LOANS

APPROVED:
Edward T. York Jr.
DEPUTY COMMISSIONER FOR MANAGEMENT

Kenneth A. Kohl
ASSOCIATE COMMISSIONER FOR
GUARANTEED STUDENT LOANS

JANUARY 1, 1975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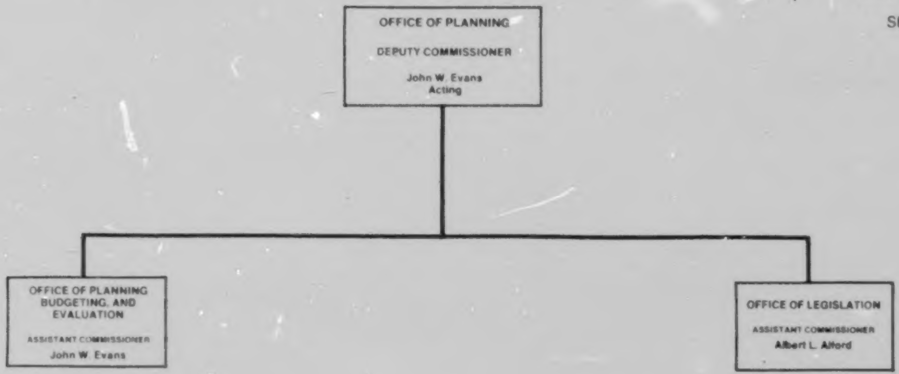
DIRECTOR
Robert F. Carmody
DIVISION OF OPERATIONAL SUPPORT
DIRECTOR
Vacant
DIVISION OF PROGRAM SYSTEMS
DIRECTOR
Edwin B. Parker, III

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION
OFFICE OF PLANNING

APPROVED:
T.H. Bell
COMMISSIONER OF EDUCATION
John W. Evans John W. Evans
(Acting)
DEPUTY COMMISSIONER FOR PLANNING

SEPTEMBER 1, 1974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DEPUTY COMMISSIONER
John W. Evans
Acting
OFFICE OF PLANNING BUDGETING, AND EVALUATION
ASSISTANT COMMISSIONER
John W. Evans
OFFICE OF LEGISLATION
ASSISTANT COMMISSIONER
Albert L. Alford

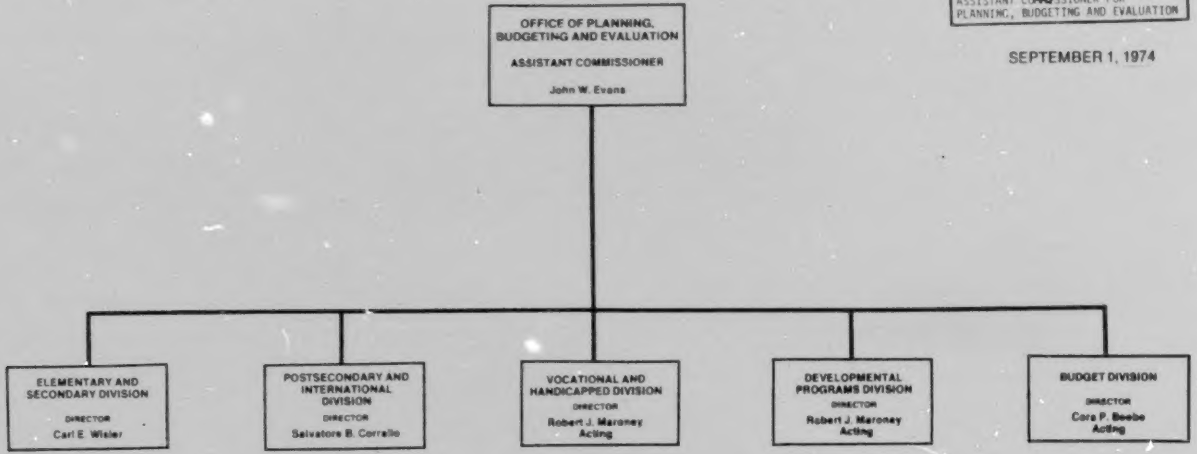
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION
OFFICE OF PLANNING
OFFICE OF PLANNING, BUDGETING, AND EVALUATION

APPROVED:
John W. Evans John W. Evans
(Acting)
DEPUTY COMMISSIONER FOR PLANNING

John W. Evans John W. Evans
ASSISTANT COMMISSIONER FOR
PLANNING, BUDGETING AND EVALUATION

SEPTEMBER 1, 1974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ASSISTANT COMMISSIONER
John W. Evans
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Robert J. Maroney
Acting
BUDGET DIVISION
DIRECTOR
Cora P. Beebe
Acting

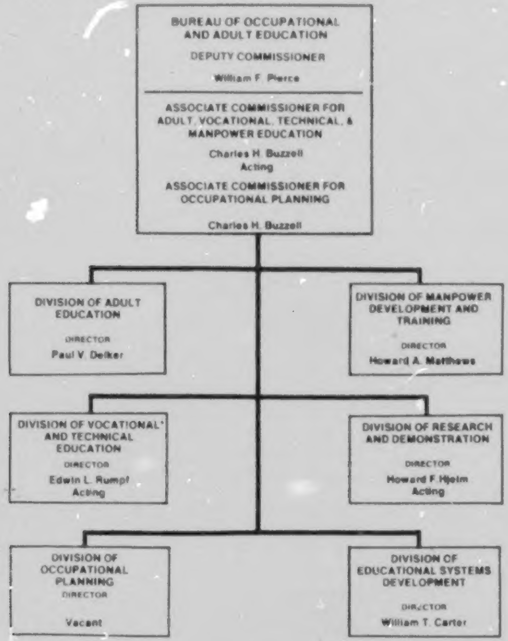
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION
BUREAU OF OCCUPATIONAL AND ADULT EDUCATION

APPROVED:
T.H. Bell
COMMISSIONER OF EDUCATION

William F. Pierce
DEPUTY COMMISSIONER FOR
OCCUPATIONAL AND ADULT EDUCATION

FEBRUARY 1, 1975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Charles H. Buzzell Acting
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Charles H. Buzzell
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DIRECTOR
Paul V. Delker
DIVISION OF MANPOWER DEVELOPMENT AND TRAINING
DIRECTOR
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Vacant
DIVISION OF EDUCATIONAL SYSTEMS DEVELOPMENT
DIRECTOR
William T. Carter

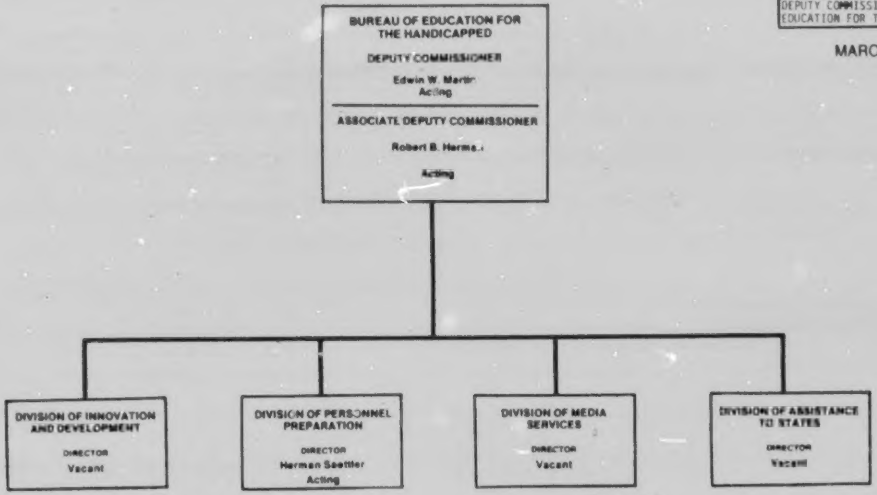
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION
BUREAU OF EDUCATION FOR THE HANDICAPPED

APPROVED
T.H.Bell
COMMISSIONER OF EDUCATION

Edwin W. Martin
(Acting)
DEPUTY COMMISSIONER FOR
EDUCATION FOR THE HANDICAPPED

MARCH 1, 1975


BUREAU OF EDUCATION FOR THE HANDICAPPED
DEPUTY COMMISSIONER
Edwin W. Martin
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Robert B. Herman
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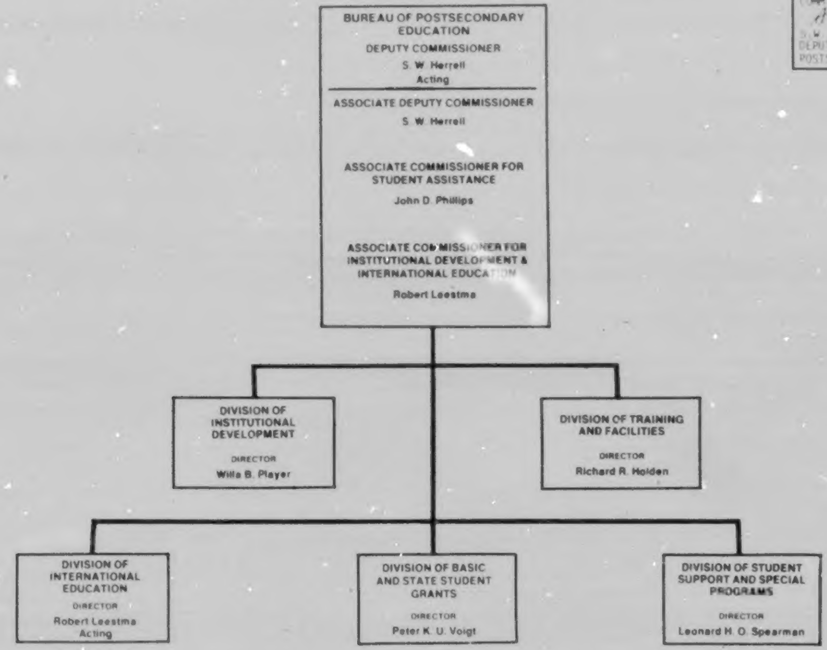
DIRECTOR
Vacant
DIVISION OF PERSONNEL PREPARATION
DIRECTOR
Herman Saettler
Acting
DIVISION OF MEDIA SERVICES
DIRECTOR
Vacant
DIVISION OF ASSISTANCE TO STATES
DIRECTOR
Vacant

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION
BUREAU OF POSTSECONDARY EDUCATION

APPROVED:
T. H. Bell
COMMISSIONER OF EDUCATION
S W Herrell
S. W. Herrell, Acting
DEPUTY COMMISSIONER FOR
POSTSECONDARY EDUCATION

FEBRUARY 1, 1975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DEPUTY COMMISSIONER
S. W. Herrell
Acting
ASSOCIATE DEPUTY COMMISSIONER
S. W. Herrell
ASSOCIATE COMMISSIONER FOR STUDENT ASSISTANCE
John D. Phillips
ASSOCIATE COMMISSIONER FOR INSTITUTIONAL DEVELOPMENT & INTERNATIONAL EDUCATION
Robert Leestma
DIVISION OF INSTITUTIONAL DEVELOPMENT
DIRECTOR
Willa B. Player
DIVISION OF TRAINING AND FACILITIES
DIRECTOR
Richard R. Holden
DIVISION OF INTERNATIONAL EDUCATION
DIRECTOR
Robert Leestma
Acting
DIVISION OF BASIC AND STATE STUDENT GRANTS
DIRECTOR
Peter K. U. Voigt
DIVISION OF STUDENT SUPPORT AND SPECIAL PROGRAMS
DIRECTOR
Leonard H. O. Spearman

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION
OFFICE OF INDIAN EDUCATION

APPROVED:
T.H. Bell
COMMISSIONER OF EDUCATION

William G. Demmert, Jr.,
DEPUTY COMMISSIONER FOR
INDIAN EDUCATION

FEBRUARY 1, 1975

OFFICE OF INDIAN EDUCATION

DEPUTY COMMISSIONER

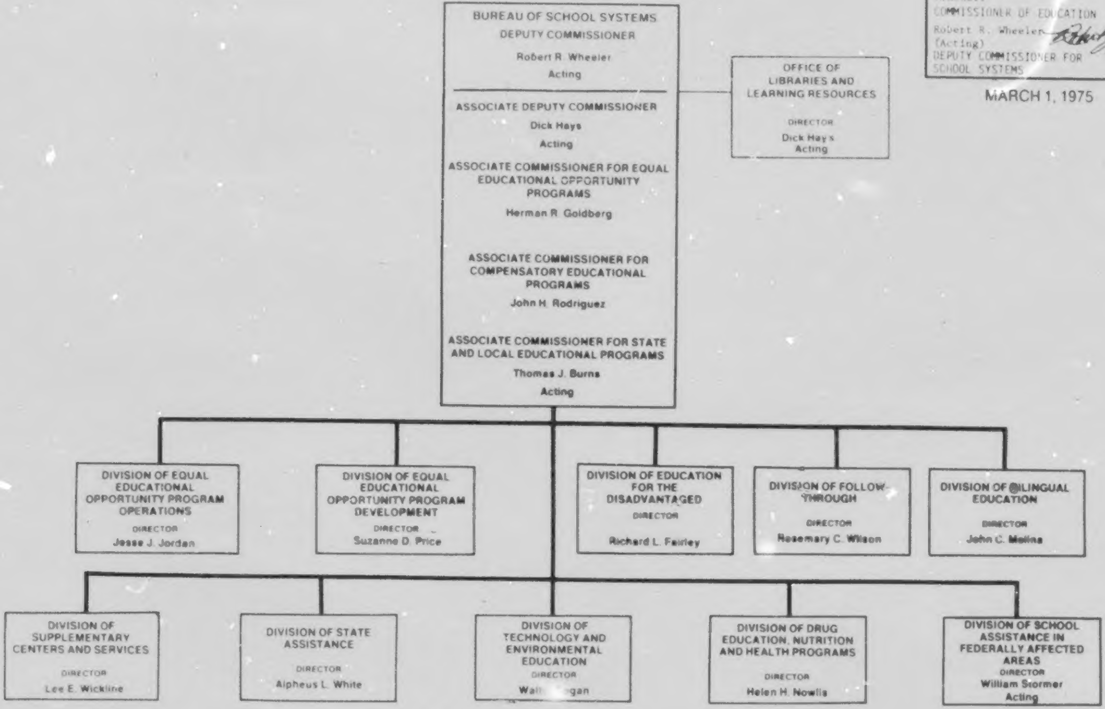
William G. Demmert Jr.

[redacted] 971

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF SCHOOL SYSTEMS

APPROVED:
T. H. Bell
COMMISSIONER OF EDUCATION
Robert R. Wheeler Robert R Wheeler
(Acting)
DEPUTY COMMISSIONER FOR
SCHOOL SYSTEMS

MARCH 1, 1975


BUREAU OF SCHOOL SYSTEMS
DEPUTY COMMISSIONER
Robert R. Wheeler
Acting
ASSOCIATE DEPUTY COMMISSIONER
Dick Hays
Acting
ASSOCIATE COMMISSIONER FOR EQUAL EDUCATIONAL OPPORTUNITY PROGRAMS
Herman R. Goldberg
ASSOCIATE COMMISSIONER FOR COMPENSATORY EDUCATIONAL PROGRAMS
John H. Rodriguez
ASSOCIATE COMMISSIONER FOR STATE AND LOCAL EDUCATIONAL PROGRAMS
Thomas J. Burns
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OFFICE OF LIBRARIES AND LEARNING RESOURCES
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DIVISION OF EQUAL EDUCATIONAL OPPORTUNITY PROGRAM OPERATIONS
DIRECTOR
Jesse J. Jordan
DIVISION OF EQUAL EDUCATIONAL OPPORTUNITY PROGRAM DEVELOPMENT
DIRECTOR
Suzanne D. Price
DIVISION OF EDUCATION FOR THE DISADVANTAGED
DIRECTOR
Richard L. Fairley
DIVISION OF FOLLOW-THROUGH
DIRECTOR
Rosemary C. Wilson
DIVISION OF BILINGUAL EDUCATION
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DIRECTOR
Lee E. Wickline
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DIRECTOR
Alpheus L. White
DIVISION OF TECHNOLOGY AND ENVIRONMENTAL EDUCATION
DIRECTOR
Walt[illegible]ogan
DIVISION OF DRUG EDUCATION, NUTRITION AND HEALTH PROGRAMS
DIRECTOR
Helen H. Nowlis
DIVISION OF SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS
DIRECTOR
William Stormer
Acting

PROGRAM ADMINISTRATION

Now, in your statement, you mention the figure 3,046 positions for program administration. Has this total staffing for the Office of Education, been fairly constant in recent years?

Mr. YORK. It has gone up slightly, Mr. Chairman, in 1976, for example, we are requesting 167 additional positions over and above those authorized for us in 1975.

Mr. FLOOD. What was the number of positions you had in that office, say, 5 years ago?

Mr. YORK. In 1973 we had 2,629 positions.

Mr. FLOOD. What did you have 5 years ago?

Mr. YORK. I would have to provide that for the record.

Mr. FLOOD. All right, suppose you do that.

[The information follows:]

AUTHORIZED POSITIONS

Fiscal year	Total number of authorized positions	Minus Indians	Minus supp. ctr. AC	Minus trans. acct.	Comp. adj. for NCES	Comp. total S. & E.
1971	2,920			−108	−146	2,666(+18)
1972	2,920			−160	−146	2,614(+15)
1973	2,988	50		−140	−169	2,629(+205)
1974	3,172	50		−119	−169	2,834(+77)
1975	[1] 3,176	54	5	−35	−171	2,911(+167)
1976	[1] 3,167	54		−35		3,078

[1] Estimates.

Do these requested amounts reflect the now classic 5-percent ceiling on cost of living increases proposed by the President?

Mr. YORK. There is no inflation factor included in these amounts. The 5 percent is included.

Mr. FLOOD. Does that reflect the 5-percent ceiling?

Mr. MILLER. Yes.

STANDARD LEVEL USER CHARGES

Mr. FLOOD. You want an increase for standard level user charges. Never mind the merits, but how was the amount calculated?

Mr. YORK. The amount is basically calculated through the charges levied against us by the GSA for rent and the various services provided to us by the GSA.

Mr. FLOOD. What would happen if we did not go along with the increase?

Mr. YORK. I believe in the past year, in the fiscal year 1975 appropriation, in fact, there was some reduction provided for that account.

Mr. MILLER. Two things can happen. Of course, the Office of Education can be hurt by not having enough rental space and proper maintenance of existing space; and the General Services Administration could be hurt because part of that money goes into a fund to help construct general purpose buildings for the Government.

Mr. FLOOD. You must work pretty closely with the GSA.

Mr. MILLER. Yes. As you know, you had a pretty complicated supplemental relative to social security.

CONSOLIDATED PROGRAMS

Mr. Flood. After all the hearings and arguments relative to the consolidation, we were led to believe this would lead to a much more efficient and simplified method of administration.

Now, for positions in the bureau of the school systems, we find here, however, no decrease in the number of people to administer these programs you are talking about. Strangely enough, exactly as many new jobs are required to administer the consolidated program, as have been eliminated by phasing out the categorical program.

How in the world could this happen? Are you simply shuffling people around down there from one desk to another?

Mr. York. No, sir. Our request for fiscal year 1976 does not further reduce these figures because 50 percent of the consolidation funds will be for the categorical programs.

Mr. Bell. The consolidation will not be fully effective until 1977. In the coming fiscal year, half will be consolidated and half in the individual grant mold. Last year, Mr. Chairman, the Office of Education indicated they could be cut 200 positions if consolidation was effected that year. We did not effect consolidation but we lost 200 positions. You might say, why are the figures the same? We have had an enormous workload increase. I have not been able to withdraw that particular number from their current duties.

Mr. Flood. Why does it take 57 people to administer the support and innovation consolidated programs and yet only seven people for the libraries and learning resources? There is a program certainly comparable in size and complexity and everything. Why only seven? Who is the white-haired boy down there who can answer this? Better get together on that one.

Ms. Beebe. There are 24 positions requested for libraries and learning resources. That is a regionalized program in part. 11 of those positions will show up under the account for the regional offices.

Mr. Bell. Additionally, we have not completed a consolidation as yet. We are still operating under the categorical grant.

Mr. Evans. The nature of those two programs is quite different. One tends to be largely a State grant program, the other Federal.

Mr. Flood. They are comparable in size?

Mr. Evans. One involves disbursing grants for administration at the State level, the other is the can of worms you just mentioned with multiple programs, thousands of submittals and reviews, and analyses of those.

CONSULTANT COST INCREASE

Mr. Flood. An increase of $84,000 for a consultant who is going to offer advice on this program. Is that really necessary? Especially since you say these are indeed much simpler programs. How come? How do you add that up?

Mr. York. We are currently attempting to set up the consolidation. At the same time we are running all those categorical programs in order to have the resources ready to set up the consolidation. We are using some additional consulting personnel.

Mr. Flood. $84,000 for a consultant for a much simpler program?

Mr. York. Yes.

Mr. Bell. The consolidation will not be completed until 1977. It will be phased in.

MANAGEMENT SYSTEMS AND ANALYSIS DIVISION

Mr. FLOOD. What are proven benefits to the Office of Education of having 102 people in management systems and analysis? What do they do? Think up ways to reorganize the office?

Mr. YORK. No. There are a whole series of things related to that program. All our computer activities fall in that area, the ADP, our automatic data processing activities.

Many of our programs are supported by computerized systems to accumulate data. The BOGS program has things similar to that. All of the support for the computer, the specialized type of personnel, and the computer people, are in the management systems and analysis division. That division also includes the administrative budget branch which put together this 122-page justification.

As to our in-house management analysis capability we are trying very hard to move forward.

GUARANTEED STUDENT LOAN

Mr. FLOOD. How cost-effective are the 117 positions for the guaranteed student loan program? Somebody might say can we not simply live with the high default rate and save money?

Mr. YORK. These will have some effect on the default rate. Again, we are adding to the collection staff in the field. For each manager of activity which we do not get, we lose $43,000 that year because we did not have that collector in place. Each collector has the prospect of returning $43,000 to the Federal Government in collections. Many of these persons will be going into our regional offices. The majority of them will be additional collectors to further implement the program.

Again, to address this problem, there are significant problems with individual lenders. It will be necessary to get out and visit them more often.

POSITIONS FOR IMPACTED AID

Mr. FLOOD. On the other side of the coin, take a look at those major changes which you say will take place in the impacted aid program in 1976.

Why are you not requesting new jobs to administer this program? You are not asking for any new jobs to administer this program. At the present time, you have only 46 people trying to work out a very, very complicated plan involving thousands of school districts. You did not ask for a single new job for that. Why?

Mr. BELL. The total number of staff that we can ask for here relates to the overall picture for the Department before the Government. This total number is the maximum amount that we felt we could seek under the restraints we have now.

Mr. MILLER. I think your question overemphasizes the complexity of the task. The toughest job is to compute the formula but that is not a big people-using job. In fact, I think it will require more people if we have to administer the current law. But I do not think our legislative proposal is that much of a people-user because, after the allocation is made, it is the States who have the problem.

Mr. BELL. Our budget really is based upon the administration's legislative proposals. I anticipate in the oversight hearings before Chairman Perkins, there was a great deal of interest in simplifying the law. We are hoping it will be amended and simplify our budget which is really based upon the prospects of new legislation which will be submitted.

MANPOWER UTILIZATION

Mr. Flood. You have given us a good deal of information here regarding the new manpower utilization, this data supporting system, what is the purpose of that system?

Mr. York. The manpower utilization is basically to do a better job of relating our manpower to the job we have to do, workload factors and criteria, in order to do a better job.

Mr. Flood. Thus far, has it served any purpose at all?

Mr. York. Particularly in the guaranteed student loan program where we have finite measures as to how many accounts a collector can deal with, et cetera. We are in the process of trying to implement it throughout the Office of Education. The first program was in the student loan program. It was a little easier to implement there. We are now in the process of reviewing two other major programs and putting that in place before the end of the year.

ADVISORY COUNCILS

Mr. Flood. Why are there no funds requested for the advisory councils on equality of educational opportunity, and on extension and continuing education? What happened? Has the law run out on that?

Mr. York. Yes.

Mr. Flood. You are simply not proposing that they cease to exist?

Mr. York. When the legislation runs out, the program will no longer be in existence.

Mr. Flood. You want to continue the advisory councils on environmental education and ethnic heritage studies, but in another part of the budget you are suggesting terminating these two programs. Why?

Mr. York. It is required by the legislation those councils be continued, sir.

Mr. Flood. Here is another program you are proposing to cut by more than 50 percent—education professions development. Yet you are requesting additional funds for the advisory council.

Mr. York. Again, Mr. Chairman, the size of the council and the number of members on its staff are dictated by the legislation which governs that council.

Ms. Beebe. Also, the Office of Education will continue some of its EDPA program. We are proposing a new program, Educational Leadership, to train principals in urban areas. This council will continue to provide support.

Mr. Flood. You have a new council for women's educational programs. Has it been set up?

Mr. York. It is being set up.

AUTOMATED DATA PROCESSING

Mr. Flood. Is any of the increase in automated data processing for equipment?

Mr. York. No, sir.

Mr. FLOOD Will the Office of Education have its own equipment?

Mr. YORK. No.

Mr. FLOOD. If you are not, are you considering such an expenditure?

Mr. YORK. A large portion of that is related to the guaranteed student loan program. As you know, in the past we have had a great dearth of adequate data to provide to you, the GAO and other people. We have received the authority from GSA and from the Department to move to a contracted facility. We are in the process of doing that—moving out of the HEW facility because it does not have the volume or complexity to handle what we want to do.

INFORMATION CLEARINGHOUSES

Mr. FLOOD. What will the clearinghouses do and who will use them?

Mr. BELL. These are required by the law.

Ms. BEEBE. There are four required.

Mr. FLOOD. Who is going to use them?

Ms. BEEBE. Community education, bilingual and adult education. Those are the three councils funded here. The fourth is under the Special Projects Act. They have a variety of functions in the law, essentially to collect information and actively disseminate it. The community education clearinghouses will be under Julie England; the bilingual, jointly between Office of Education and National Education Institute; the adult program under the direction of Mr. Pierce. These will all be done through grants and contracts.

Mr. FLOOD. Those are the users, too?

Ms. BEEBE. Yes.

DRUG ABUSE

Mr. FLOOD. Why are seven people needed to administer the drug abuse education program? You have not asked for a dime in this program for 1975 or 1976.

Mr. YORK. Mr. Chairman, we have a continuing need to wind up that program. There are grants which have been granted which have to be closed out. We are, to a large degree, providing that type of service and technical assistance to the States dealing with their own programs.

Mr. EVANS. There are others where the program is actually forward funded.

PLANNING AND EVALUATION

Mr. FLOOD. How does this Planning and Evaluation Section determine what evaluations should be undertaken in the first place?

Mr. EVANS. We first develop an annual evaluation plan which is reviewed and approved. On the basis of that, we take the money we have and allocate it to the top needs. Then we design, in my office, a series of projects to collect the data on that program. Then we obtain a contractor to do the field work for us.

STUDIES AID CONGRESS

Mr. FLOOD. How responsive is this office to the needs of Congress? Particularly last year, during the consideration of those educational amendments. Do you remember that?

Mr. EVANS. Yes, I do. I think we gave the Congress a lot of help at that time. We carried out some very fast work on the title I formula and supplied the Congress with continuing technical assistance, receiving requests and in carrying them out.

Mr. FLOOD. What evaluated results are available, or are anticipated in the near future, which would aid decisionmaking on the extension of higher education and vocational education legislation which are due for extension next year?

Mr. EVANS. We have started a system, Mr. Chairman, which I hope you are aware of. This is to send to all the members of all the education committees in both Houses copies of all completed evaluations. We have sent to you some 27 evaluation studies and are to answer your further inquiries. More directly, with respect to the question you just asked, we have major studies going on of the principal elementary and higher education programs including longitudinal studies of the vocational educational programs and title I. Results from a number of these will be available in a few months.

PROGRAM DISSEMINATION

Mr. FLOOD. By the way, you talk about public dissemination, how are the topics selected and who selects them?

Mr. BILLINGS. We have held planning meetings and gotten input from just about everybody in the office. We have, for example, $75,000 for distributing a film on women that you heard discussed earlier. Also we have a film on metrication. We have various other things.

Mr. FLOOD. Who selects these things?

Mr. BILLINGS. Mostly the Deputy Commissioners.

Mr. FLOOD. One Deputy Commissioner for Education.

Mr. BELL. The total Deputy Commissioners in the Office, sitting with Mr. Billings and myself.

INFORMATION ON METRIC SYSTEM

Mr. FLOOD. This may be rhetorical, but why do you plan a major dissemination on metrication?

Why do you do that? Congress has refused time and time again to mandate any conversion to the metric system in this country and yet you want funds and you have a major program for dissemination on metrication.

Mr. BELL. We feel, and the legislation also indicates this in the Special Projects Act. We feel that it is inevitable that this Nation convert to the metric system. We think that now is the time to use valuable leadtime in getting ready for that, getting our school system ready for it.

As I am sure you know, it is going to be one of the biggest educational jobs not only in schools but out in the whole adult world, that we will face for a long time when we move to that.

STUDENT AID ANNOUNCEMENTS

Mr. FLOOD. Why do you propose to fund spots on radio and TV about Federal student aid programs other than basic opportunity grants?

Does that mean that you have determined that the information on basic opportunity grants has already been sufficiently disseminated or what?

Mr. Billings. No.

We don't think they are enough. These are in addition.

Mr. Flood. Why is it excluded here?

Mr. Billings. These are in addition to the spots that would be produced for basic opportunities grants. These are for another program of student aid in addition to basic opportunity grants.

Unfortunately we do not have money for this type of thing so we try to target into areas that are missing.

Redistribution of Positions in Fiscal Year 1975

Mr. Michel. Last year when you came up here with your supplemental request for the Education Amendments of 1974—H.R. 69—you did not request any additional positions. How did you take care of the additional workload generated by that rather significant piece of legislation?

Mr. York. Rather than supplementing our fiscal year 1975 request to implement the Education Amendments of 1974, we redistributed the positions working from our fiscal year 1975 proposal. You will recall that request had anticipated education consolidation and a corresponding 120 positions to implement consolidation. Along with the redistribution of these 120 positions, additional shifts were made from programs that included emergency school aid, supplementary services and centers, international activities, strengthening State departments of education, and school assistance in federally affected areas.

COST EFFECTIVENESS OF LOAN COLLECTORS

Mr. Michel. Of the 167 new positions requested, 117 are for increased collection efforts under the guaranteed loan program. You indicate that each one will return to the Government eight times what he will cost. How do you arrive at this figure?

Mr. York. Only 37 of the 167 new positions are associated with collection. In 1976, the collection staff will consist of 172 collection positions, an increase of 37 positions.

At the time this estimate was prepared we calculated an annual recovery of $79,160 per collector man-year, eight times more than their annual salaries of $9,895. More recent data, however, shows a cost effectiveness relationship of 10 to 1, assuming an annual salary of $9,895 and an annual recovery rate of $98,950.

ADMINISTRATION OF SPECIAL PROJECTS ACT

Mr. Michel. In contrast with the return accruing from those guaranteed loan positions, the 42 new positions requested to carry out the Special Projects Act are not likely to provide any such measurable return. The $635,000 required to fund these positions would probably be best off left in the Treasury but be that as it may, would you break down for us the division of these 42 positions among the programs they are allocated to?

Mr. YORK. Yes, sir. In the Office of the Commissioner, Career Education has three positions, Women's Educational Equity has seven, and Arts in Education has one position. The gifted and talented program in the Bureau of Education for the Handicapped has eight positions. In our Bureau of Occupational and Adult Education, the metric projects program has five positions, and the community schools and the consumer programs each have nine positions.

Mr. MICHEL. I note that among these are four $30,000 a year program managers. What programs are receiving these individuals? Are the programs substantial enough to justify somebody at the $30,000 level?

Mr. YORK. The four programs that would receive the $30,000 a year program managers are metric education, consumers' education, community schools, and gifted and talented children. As has been indicated before, the Special Projects Act is composed of both new programs and programs that were funded from other legislative authorities. The other programs included under the Special Projects Act have at the present time program managers in a comparable salary range. With the appointment of program managers on the salary range requested, we could place all programs on the same basis. We feel that the programs represented in the Special Projects Act comprise an expression of congressional priorities. Therefore, we feel that it is not unreasonable to place a professional who can command a $30,000 annual salary in charge of any one of these highly visible national programs.

Because of the limited amount of funds being requested to operate these programs in comparison to the national need, we feel that what is really needed are imaginable and resourceful program managers, which we again feel would be in the $30,000 salary range.

Mr. MICHEL. I note further that among these 42 positions are 11 secretaries at the GS-6 level—nearly $10,000 a year. Why so many at that level when the new secretarial help being requested in other areas seems concentrated at the GS-5 level?

Mr. YORK. The secretarial positions being requested are at the GS-6 level because the various program staffs will be small. Therefore, the secretaries will be expected to handle many duties that would justify this grade level.

SIXTEEN POINT SPANISH SPEAKING PROGRAM

Mr. MICHEL. Of the 198 positions being requested for the Commissioner's office, it is difficult to tell from the justifications whether they are all really needed. However, a couple of items caught my eye. In the sixteen point Spanish-speaking program, five people are needed to respond to an average of two inquiries a day received by the office, and attend a total of about 3½ meetings a month. Surely there must be more duties than this to justify a staff of five?

Mr. YORK. The Spanish Speaking Program Office, in addition to the workload data printed in the budget justification, performed the following duties. Over the past year, they have traveled to many communities throughout the United States to attend meetings. Those meetings were requested by State and local educational agencies as well as by local Spanish-speaking organizations. These meetings related to educational concerns and needs.

In advocating for employment opportunities, the Spanish Speaking Program Office has also over the past year referred employment candidates. More than 500 applicants were forwarded to all OE regional offices. In addition, referrals were sent to other Government agencies including the District government.

Last year, the Spanish Speaking Program Office was visited by more than 500 persons throughout the United States. These visits related to information about OE programs for the Spanish-speaking.

I have a list of local organizations that were also contacted in attempting to bring about intra-agency cooperation.

[The information follows:]

United States Catholic Conference (Spanish Speaking Program Office).
National Academy for Engineers.
Hispanic Organization for Professional Employees.
National Education Association (Spanish Speaking Office).
American Association of Junior Colleges.
Cabinet Committee on Opportunities for the Spanish Speaking People.
Metropolitan Area of Hispanic Organization 10 in total).
AID.
Board of Trustees for United Way of America.
Civil Service Commission.
Department of Labor (Spanish Speaking Office and EEO Conference).
Department of Interior (Equal Employment Opportunity).

ACTIVITIES OF EQUAL EMPLOYMENT OPPORTUNITY OFFICE

Mr. MICHEL. In the Equal Employment Opportunity Office, 7 people were apparently needed last year to respond to an average of about 1 inquiry a day and to counsel about 1 person every 3 days. Are there any other duties missing from the justifications we should know about before deciding whether to continue to fund seven persons for this office?

Mr. YORK. Mandated by Public Law 92-261 and U.S. Civil Service Commission regulations, the activities of the Equal Employment Opportunity Office are both remedial and preventative in nature. Adjudicative authority encompasses not only headquarters and the 10 regional offices, but also the work force employed by the Assistant Secretary for Education.

In addition to the information reflected in the budget justification document in regard to the informal phase of counseling, the other stages of processing complaints of discrimination require continuing attempts at informal resolution, evaluating formal complaints, investigating formal complaints of discrimination, proposing dispositions, and implementing fact-finding site visits.

The development, implementation, and monitoring of the Agency and various organizational components' affirmative action plans comprise the major bulk of preventive activities. In addition the EEO Office provides EEO training to Agency managers and supervisors, as well as to counselors and investigators; monitors recruitment, staffing, and promotion practices in regard to equal opportunities in employment; locates and identifies qualified women and minority-group job candidates; analyzes the employment status of women and minorities; participates in conferences, workshops, and meetings; and provides technical assistance to as well as maintaining liaison with, external groups and organizations to enhance employability in the Federal sector.

PUBLIC AFFAIRS PUBLICATIONS QUESTIONED

Mr. MICHEL. I was disappointed to note that as part of your public affairs activities, you are increasing your number of publications from 65 to 70. As one who is continually inundated by publications from yours and other agencies, many of which appear to be of questionable necessity, it seems to me the trend ought to be in the other direction. Would you provide for the record the identification of each publication, its cost, and its cost total distribution.

Mr. YORK. Perhaps I should refer this question to Jack Billings, the Acting Commissioner for Public Affairs.

Mr. BILLINGS. The trend in the Office of Education actually has been in the other direction. In fiscal year 1973 the number of publications produced was 104. In fiscal year 1974 this dropped to 82. The current estimate for fiscal year 1975 is only 65. We feel, however, that we have reached an irreducible number, considering the mandated reports and other items necessary to the conduct of the business of the Agency. Some publications deferred in the current fiscal year will probably achieve publication in fiscal year 1976, resulting in the estimate we submitted of 70 publications, a slight increase over 1975 but still well below the previous 2 fiscal years. The actual titles of publications to be produced in 1976 are not yet available. The cost of publications in fiscal year 1976 can be expected to increase somewhat because of inflation and because of the projected increase of about five publications over the current year.

I can provide for the record two listings of the fiscal year 1975 publications, and their estimated distribution and cost.

[The information follows:]

OFFICE OF PUBLIC AFFAIRS, FISCAL YEAR 1975

Publication title	Distribution	Estimated cost
Educational Directory: Education Association, 1975	12,400	$7,350
Accredited Postsecondary Institutions and Programs	4,500	6,860
ESEA Title II & the Right to Read—Notable Reading Projects, Combined Issues, September 1973-March 1974 No. 16-18	2,200	2,500
Aids to Media Selection for Student and Teachers	750	500
Supplement to Aids to Media Selection for Students and Teachers	1,500	1,000
School Library Resources, Textbooks, and other Instructional Materials, Title II, ESEA, Annual Report, Fiscal Year 1974	1,150	3,600
We Can Work It Out	100,000	1,300
Higher Education Prices and Price Indexes	35,000	5,600
Survey of School Media Standards	3,000	9,200
Basic Grants for Education (Spanish Poster)	25,000	2,250
Basic Grants (English Poster)	175,000	10,500
Postsecondary Institutions Eligible for the Basic Grants Program	40,000	10,250
Fact Sheet on 5 Federal Aid Programs (Spanish booklet)	200,000	10,500
Fact Sheet on 5 Federal Aid Programs (English booklet)	5,000,000	50,500
The American Revolution as Taught in Other Nations: Excerpts from Secondary School Textbooks of Selected Countries	2,000	3,400
American Students and Teachers Abroad, 2d revision	6,000	7,500
Progress of Education in the U.S.A. 1973-74 and 1974-75	4,000	7,500
Toward Educational Renewal in Eastern Europe: The Role of Selected International Organizations	1,000	6,000
Higher Educational Institutions in the Republic of Korea	1,000	5,750
The Educational System of Yugoslavia	500	75
Some French Initiatives in Educating the Socially and Culturally Disadvantaged	500	150
International Teacher Exchange	500	150
Soviet Programs in International Education	500	300
Significant Trends in Soviet Education: U.S.S.R. Legislation and Statistics	1,500	6,250
The Educational System of Poland	1,000	2,900
The Educational System of Iran	500	75
The Educational System of Israel	500	75
The Educational System of Ecuador	1,000	2,900
Selected Office of Education Publications and Related Information on International Education	53,000	2,700
Opportunities Abroad for Teachers: 1975-76	20,000	1,600
The Educational System of the Netherlands	1,000	3,000
The Educational System of Portugal	1,000	3,000
The Educational System of Venezuela	1,000	3,000

OFFICE OF PUBLIC AFFAIRS, FISCAL YEAR 1975—Continued

Publication title	Distribution	Estimated cost
The Educational System of Peru	1,000	$3,000
The Educational System of Cuba	1,000	3,000
The Educational System of East Germany	1,000	3,000
The Educational System of Czechoslovakia	1,000	3,000
Education in the United States of America	15,000	37,500
Teacher Exchange: An Evaluation	2,000	4,000
Readings on International and Intercultural Education	1,000	4,500
Progress of Education in the U.S.A., 1972–73 and 1973–74.		
(in Spanish)	1,000	4,000
(in French)	1,000	4,000
(in Russian)	500	2,000
Student Advisory Committee Handbook	32,000	1,700
State Compensatory Education Programs	1,000	5,500
Title I ESEA: How It Works (Spanish edition)	10,000	10,000
Administration of Public Laws 81-874 and 81-815—Annual Report—1974	911	29,000
Facts About the Bureau of Occupational and Adult Education	15,000	2,650
An Introduction to Career Education: A USOE Policy Paper	12,000	3,200
Summer Institute on the Improvement and Reform in American Education	500	1,650
Institutional Viability: The Final Report and Recommendations of the Administration and Supervision National Field Task Force on Improvement and Reform of American Education	1,000	800
Obligation for Reform: The Final Report and Recommendations of the Higher Education National Field Task Force on the Improvement and Reform of American Education	1,000	500
A Real Alternative: The Final Report and Recommendations of the Community National Field Task Force on the Improvement and Reform of American Education	1,000	510
Working Together: The Final Report and Recommendations of the Basic Studies National Field Task Force on the Improvement and Reform of American Education	1,000	290
Better Schools Through Better Partnerships: The Final Report and Recommendations of the Council of Chief State School Officers National Field Task Force on the Improvement and Reform of American Education	1,000	350
Inside Out: The Final Report and Recommendations of the Teachers National Field Task Force on the Improvement and Reform of American Education	1,000	400
American Education Magazine (one issue)	(24,360)	(8,195)
(Annual cost)	243,600	81,950
Total	6,042,511	384,735

EDUCATIONAL BROADCASTING FACILITIES

Mr. MICHEL. In the educational broadcasting facilities program, 12 people are apparently needed to review 210 applications a year which break down to 1½ a month per person. Is there not room for a cutback here?

Mr. YORK. In addition to the workload data provided in the justification, the 12 people associated with this program are also responsible for a number of other things. The preapplication consultation will consist of about 60 onsite visits, 1,400 office visits or meetings, 2,400 program or application inquiries and about 7,500 telephone calls. The pregrant negotiations, verifications, and coordination requires working with the applicant, DHEW regional officer, State agencies, Appalachian and other regional commissions, the Corporation for Public Broadcasting, and complying with FCC authorizations and the Civil Rights Act. They must monitor 114 active projects which were funded in previous years, and the law requires annual monitoring of projects for 10 years after the final payment is made to assure that the equipment is being used for the purposes for which it was provided. There are 441 projects in this category. They will make inspection visits to 85 projects which will be completed this year, before authorizing final payment. Finally, they will officially close out 17 projects for which the 10-year Federal interest will expire during fiscal year 1976.

CENTERS FOR THE HANDICAPPED

Mr. MICHEL. In the Bureau of Education for the Handicapped, a total of 9 people are provided under the Regional Resource Centers program to process a total of 14 applications a year, make 30 site visits and develop 2 reports. That would seem to be a light load for one person, not to mention nine?

Mr. York. Our presentation of the allocation of positions to the regional resource center program could be misleading. Of the nine people stipulated under the regional resource center program, one reflects a prorated share of time for a division director and his secretary, the remaining eight serve not only the regional resource centers, but also the administration of the area learning resource centers and the National Center for Media and Materials for the Handicapped as described in the Media and Resource Service section for the fiscal year 1976 budget presentation.

Of the eight persons directly serving these 32 awards one is a branch chief responsible for the overall management and direction of the branch. The remaining seven persons are two GS–14 level professional experts and project officers, three midlevel specialists in the GS–7 to GS–11 category, with primarily managerial and technical responsibilities, and two clerical-secretarial persons.

This small branch is responsible for not only the management and Federal stewardship of these individual projects and the $17.6 million appropriated in 1975 for the activities, but they are also required to assure a coordinated national effort to aid the States in meeting the needs of the nation's more than 7 million handicapped children through the demonstration and support of improved practices in identification, diagnosis and placement, and media and material support. The RRC's also act as a place of last resort for parents who cannot gain satisfactory assistance in other quarters.

The 32 awards average more than $500,000 apiece. In order to manage this program in harmony with the demands of the State and local education agencies and the special education community, a high level of professional input is required to plan for, develop, and issue requests for proposals to fund these activities. Once the projects are funded, after a rigorous review and negotiation process, there must be continuous conferences, workshops and meetings between the Bureau, State Agency personnel, and contractors in order to make the most effective use of the Federal dollar.

These coordinative meetings and administrative functions come on top of the more than 60 site visits required. Because of the work scope and budgets for these projects, the semiannual site visits to each of the 32 units require nearly a week at the site and a week in preparation for each visit. We combine our professional staff and resources from these programs to limit the need for outside consultants to be hired and transported to assist such visits. Activities at the site consist of the continuous process of setting goals and objectives consistent with the Federal law, evaluating papers and advising on professional, technical and managerial matters. Although the programs are authorized under two separate parts of the Education of the Handicapped Act, we have combined the management under one branch so as to take advantage of the economies of one staff serving these two complementary programs and thereby eliminating potential redundancies that might normally arise. Examples of this have been:

The development of a single national information systems for the Area Learning Resource Centers and the National Center;

Combined project staff training on a national basis;

The development of a single national needs assessment for media and materials of the handicapped; and wherever possible;

The combination of Area Learning Resource Centers and Regional Resource Center project management and overhead staffs.

ADVISORY COMMITTEES

Mr. MICHEL. Thirteen advisory committees are provided for, at a total cost of $2,041,000. Are these committees really worth their cost?

Mr. YORK. Of the 13 advisory committees provided for in the request, 12 are legally mandated, and the 13th performs a legally mandated function.

The advisory committees primarily advise the Commissioner and other HEW officials on general policy, regulations and the operation, administration and effectiveness of the program within each committee's oversight. Our public advisory committees further advise the Congress and the President. Each committee's budget has been prepared carefully and prudently, based on the committee's required and anticipated functions during the coming fiscal year.

A principal cost is for meetings, a minimum number of which is required each year. A standard formula is used; number of members times the number of meetings times the cost per member, which includes salary and travel expenses. In the case of Presidential advisory committees, another major cost is compensation for the staff which, by law, they are empowered to employ. The remainder of a committee's budget is devoted to preparation and publication of required reports, including comprehensive studies which evaluate the effectiveness of a given program or make recommendations for the improvement of a program, supplies and equipment, and other related expenses.

PLANNING AND EVALUATION

Mr. MICHEL. Over the last several years we have appropriated a considerable amount for planning and evaluation activities. What do we have to show for this sizable Federal investment?

Dr. EVANS. Significant funds for planning and evaluation activities have only been made available since fiscal year 1970. Prior to that time only token amounts had been provided. Since 1970 the Congress has appropriated through the planning and evaluation line item a total of $55 million, or about one-tenth of 1 percent of the overall OE appropriations over that period.

Starting in 1970, OE has developed an expanded evaluation capability. A highly qualified staff of evaluators was recruited and trained, and more than 100 studies have been initiated. The results of completed studies are now beginning to become available. Summaries of the results of approximately 30 of the most significant completed studies have been distributed to the Congress and the educational community. Copies of all completed studies have been placed in the Educational Research Information Clearinghouse System for availability to the general public. In addition, the results of all the completed studies have provided important input to the annual evaluation report to Congress on the effectiveness of OE administered Federal education programs. Year by year, the studies are expanding our knowledge about the impact and effectiveness of our programs and we are communicating this knowledge to the Congress. Thus, we are beginning to accumulate a body of objective data obtained through scientifically designed evaluations on the effectiveness of OE programs.

There are now and always will be many inputs to the decisionmaking process, but study results are beginning to play an important part in legislative, resource allocation, and program management decisions. Legislatively, for example, a study of the ESEA title I allocation formula provided important input to congressional committees during deliberations on Public Law 93-380. Studies of student aid led to the development of an enrollment/cost model which was used to project the costs of the basic grant program during the deliberations on the Higher Education Amendments of 1972. With regard to resource allocation, a study of the bilingual program led to the budget emphasis on training of bilingual teachers and preparation of curriculum materials. Another study on the so-called financial crisis in higher education influenced the administration position to allocate available resources to finance students rather than institutions. With regard to program management, a study of the right-to-read program influenced the decision to establish reading academies for adult illiterates. A study of the interest subsidy and default problem in the guaranteed student loan program has influenced changes in organization, staffing, and procedures designed to increase collections and reduce defaults.

The studies are also helping us learn what works, what doesn't work, and why. For example, our studies of ESEA title I activities over the past several years have identified a number of exemplary programs and information on them has been disseminated widely by the title I office. Similarly, studies have identified exemplary reading programs and information packages on them have been disseminated by the right-to-read program office. In studies of adult illiteracy we have found that group instruction is not effective, but that individual instruction is. In assessing desegregation programs we have found that human relations programs were successful in promoting desegregation, but that other types of teacher training programs were not. In evaluating student assistance programs, we found that grants were more successful than loans in attracting low-income minority students to enroll in college. Studies of the adult basic education program, revealed that students found the program helpful in improving their employment status and earnings.

A study of the special services to disadvantaged students (in higher education) revealed that the program had little impact on student achievement or on attrition rates.

These are a few examples of the use of evaluation study results. We feel we are getting a good and ever increasing return on our investment in evaluation. We are learning whether our programs are meeting their intended objectives. We are learning what works, what doesn't work, and why. We are becoming more able to provide Congress with information on program effectiveness, and we are able to do this in an objective and scientifically acceptable manner. Finally, we are using the results to help make important management decisions.

HEARINGS CONCLUDED

Mr. **Bell.** I would like to say, Mr. Chairman, this is my first full set of hearings before you as the new Commissioner. I appreciate it very much. It has been quite an experience. I appreciate being before you.

Mr. **Flood.** You showed no signs of newness. In fact, you sound as though you had been at this for years. You have been most helpful, and we thank you for your forthright answers to our questions. You are obviously no amateur.

The hearing is recessed.

JUSTIFICATION OF THE BUDGET ESTIMATES

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

Salaries and Expenses

Page No.

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Interim period Budget (July 1, 1976 through September 30, 1976):
Obligations by activity ..... [illegible]
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Appropriation Estimate

SALARIES AND EXPENSES

For carrying out, to the extent not otherwise provided, the General Education Provisions Act, and the [Cooperative Research Act,] 1/ *Education Amendments of 1974,* 2/ including rental of conference rooms in the District of Columbia, [$114,400,000.] *$112,525,000.*

For "Salaries and expenses' for the period July 1, 1976, through September 30, 1976, $24,643,000. (Department of Health, Education and Welfare Appropriations Act, 1975.)

Explanation of Language Changes

1. The Cooperative Research Act was changed to the Special Projects Act by Section 402 of the Education Amendments of 1974 (Public Law 93-380).

2. Within the Education Amendments of 1974 there are many specific authorizations to conduct studies, fund advisory councils, and establish information clearinghouses. For purposes of simplicity, the entire Act is cited. Individual authorizations are cited in the justifications.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Salaries and Expenses

Amounts Available for Obligation[1]

	1975 Revised	1976
Appropriation	$114,400,000	$112,525,000
Proposed supplemental appropriation	2,345,000	---
Subtotal, adjusted appropriation	116,745,000	112,525,000
Real transfer to:		
DHEW, Office of the Secretary for General Counsel	-50,000	
Comparable transfers to:		
Assistant Secretary for Education:		
National Center for Educational Statistics	-13,792,000	
Policy Research Centers	-475,000	
"Innovative and Experimental Programs"	-1,900,000	
DHEW, Office of the Secretary, for Public Affairs Management	-9,000	
Comparable transfer from:		
Department of Labor "Program Administration" for Comprehensive Employment and Training Activities	+110,000	
Total, Obligations	100,629,000	112,525,000

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[1] Excludes the following amounts for reimbursable activities carried out by this account: 1975-$300,000; 1976-$400,000.

Summary of Changes

1975 Estimated obligations	$98,284,000
Less: Proposed rescission	---
Plus: Proposed supplemental	
1975 Revised obligations	100,629,000
1976 Estimated obligations	112,525,000
Net change	+ 11,896,000

	1975 Base		Change from Base	
	Pos.	Amount	Pos.	Amount
Increases:				
A. Built-in:				
1. Annualization costs of fiscal year 1975 authorized positions	---	$52,516,000	---	$+2,614,000
2. Annualization costs for advisory committee activities funded for only part of fiscal year 1975	---	1,410,000	---	+334,000
3. Annualization of fiscal year 1975 payraise	---	1,843,000	---	+891,000
4. Increases for standard level user charges (rent) and services provided by other Government agencies	---	8,219,000	---	+1,427,000
5. One extra paid day in fiscal year 1976	---	---	---	+216,000
Subtotal			---	+5,482,000
B. Program:				
1. Cost to support 167 new positions	---	---	+167	+2,100,000
2. Increased consultant requirements	---	241,000	---	+84,000
3. Increased training requirements	---	702,000	---	+839,000
4. Increased printing requirements	---	1,492,000	---	+502,000
5. Increased ADP costs	---	9,060,000	---	+1,940,000
6. Continuation costs of ongoing planning and evaluation studies	---	3,220,000	---	+2,930,000
7. Increased statutory responsibilities and activities for advisory committees	---	---	---	+297,000
8. Move from plan to operational phase of information clearinghouses	---	150,000	---	+150,000
9. New planning and evaluation studies	---	---	---	+2,850,000
Subtotal			+167	+11,692,000
Total increases			+167	+17,174,000

	1975 Base Pos.	1975 Base Amount	Change from Base Pos.	Change from Base Amount
Decreases:				
A. Built-in:				
1. Completion of mandated studies funded in program administration	---	$1,343,000	---	-1,343,000
B. Program:				
1. Decrease in requirements for overtime	---	524,000	---	-43,000
2. Decrease in transportation of things	---	188,000	---	-42,000
3. Decreased requirements for field readers	---	1,232,000	---	-104,000
4. Decrease in contractual services	---	3,098,000	---	-312,000
5. Planning and evaluation studies not continued	---	3,163,000	---	-3,163,000
6. Discontinuance of two advisory committees	---	271,000	---	-271,000
Subtotal	---	---	---	-3,935,000
Total decreases			---	-5,278,000
Total, decreases	---	---	---	-5,278,000
Total, net change	---	---	+167	+11,896,000

Explanation of Changes

Built-in increases:

1. An increase of $2,614,000 is required to provide for full-year costs for authorized positions filled for only part of fiscal year 1975.

2. The Education Amendments of 1974 required funding of several new advisory committees in fiscal year 1975, for which funds are provided for start-up costs through a proposed reprogramming. A total increase of $334,000 is required to provide for full-year funding of these advisory committeees in fiscal year 1976.

3. An increase of $891,000 is required for fiscal year 1976 to annualize the fiscal year 1975 mandated payraise, which was in effect for only 186 paid days in fiscal year 1975.

4. An increase is required to fund increases in rates charged by General Services Administration for rental of space and for services provided by other government agencies.

5. In fiscal year 1976 there are 262 paid days, one more than in fiscal year 1975.

Program increases:

1 A total of $2.100,000 is requested for salaries, benefits, and other related costs to support 167 new positions requested for fiscal year 1976.

Obligations by Activity

Page Ref.		1975 Estimate		1975 Revised		1976 Estimate		Increase or Decrease	
		Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
241	Program Administration	2,873	$89,600,000	2,873	$ 91,915,000	3,040	$100,684,000	+167	$+ 8,769,000
325	Planning and evaluation	---	6,383,000	---	6,383,000	---	9,000,000	---	2,617,000
333	General program Dissemination	---	500,000	---	500,000	---	500,000	---	---
335	Advisory committees	38	1,651,000	38	1,681,000	38	2,041,000	---	+360,000
340	information clearing houses	---	150,000	---	150,000	---	300,000	---	+150,000
	Total Obligations	2,911	98,284,000	2,911	100,629,000	3,078	112,525,000	+167	+11,896,000

Salaries and Expenses

Obligations by Object

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Total number of permanent positions................	2,911	2,911	3,078	+167
Full-time equivalent of all other positions...........	240	240	220	-20
Average number of all employees.................	2,925	2,925	3,154	+229
Personnel compensation:				
Permanent positions........	47,332,000	49,464,000	54,094,000	+4,630,000
Positions other than permanent................	2,635,000	2,635,000	2,714,000	+79,000
Other personnel compensation.............	481,000	481,000	442,000	-39,000
Subtotal, personnel compensation..........	50,448,000	52,580,000	57,250,000	+4,670,000
Personnel benefits...........	4,568,000	4,781,000	5,144,000	+363,000
Travel and transportation of persons................	3,106,000	3,106,000	3,261,000	+155,000
Transportation of things.....	188,000	188,000	146,000	-42,000
Rent, communications and utilities..................	10,136,000	10,136,000	11,631,000	+1,495,000
Printing and reproduction...	1,492,000	1,492,000	1,994,000	+502,000
Other services	20,340,000	20,340,000	21,794,000	+1,454,000
Project contracts.........	7,033,000	7,033,000	9,800,000	+2,767,000
Supplies and materials......	628,000	628,000	906,000	+278,000
Equipment..................	345,000	345,000	599,000	+254,000
Total obligations by object..................	98,284,000	100,629,000	112,525,000	+11,896,000

Significant Items in House and Senate Appropriations Committee Reports

Item 1975 House Report General Program Dissemination	Action taken or to be taken
1. The Committee is concerned about the possible duplication or overlap of dissemination activities carried out by both the Office of Education and the National Institute of Education.	1. This activity is primarily for film production and distribution and public service announcements regarding educational opportunities and where to obtain aid. The National Institute of Education disseminates results of educational research and development. Packaging and field testing, an activity transferred to "Innovative and Experimental Programs" in 1976, identifies and packages proved educational practices and disseminates them to school districts as an aid in duplicating the practices. Steps have been taken to assure that this activity does not duplicate any NIE effort.

Authorizing Legislation

Legislation	1976 Authorized	 Appropriation request
General Education Provisions Act:		
Section 400(c) -- Administration..........	Indifinite	$100,648,000
Section 411 -- Program planning and evaluation..............................	$25,000,000	9,000,000
Section 422 -- Dissemination..............	Indifinite	500,000
Part D -- Advisory councils...............	Indefinite	2,041,000
Education Amendments of 1974:		
Section 105(a)(1) -- Bilingual Education Act, section 742(c)(3) -- Bilingual education clearinghouse.................	5,000,000	100,000
Section 405(f)(1) -- Community education programs...............................	Indefinite	100,000
Section 604 -- Section 309A of the Adult Education Act -- information clearinghouse on adult education................	Indefinite . .	100,000

Salaries and Expenses

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1966	$ 26,827,500	$ 24,752,500	24,977,500	$ 24,977,500
1967	38,068,184	35,565,184	30,280,184	32,430,184
1968	51.326,400	43,083,400	43,083,400	43,083,400
1969	63,250,112	49,745,112	45,871,112	50,292,112
1970	75,807,000	75,807,000	73,571,000	73,833,000
1971	95,848,000	94,263,000	87,573,000	87,573,000
1972	88,500,000	88,150,000	86,455,000	87,455,000
1973	94,599,000	94,599,000	91,376,000	92,431,000
1974	96,183,000	89,169,000	80,935,000	84,616,000
1975	107,127,000	104,801,000	99,938,000	100,629,000
1975 Proposed Supplemental	2,345,000			
1976	112,525,000			

Justification

Salaries and Expenses

	1975 Estimate	1975 Revised	1976	Increase or Decrease
1. Program administration	$89,600,000	$91,915,000	$100,684,000	$+ 8,769,000
2. Planning and evaluation	6,383,000	6,383,000	9,000,000	+ 2,617,000
3. General program dissemination	500,000	500,000	500,000	---
4. Advisory committees	1,651,000	1,681,000	2,041,000	+ 360,000
5. Information clearinghouses	150,000	150,000	300,000	+ 150,000
Total	$98,284,000	$100,629,000	$112,525,000	$+11,896,000
Positions:				
1. Program administration	2,873	2,873	3,040	+167
	2,873	2,873	3,040	+167
2. Planning and evaluation	---	---	---	---
3. General program dissemination	---	---	---	---
4. Advisory committees	38	38	38	---
5. Information clearinghouses	---	---	---	---
Total positions	2,911	2,911	3,078	+167

General Statement

To continue support towards the Nation's goal of full educational opportunity, the 1976 education budget proposes over $6,000,000,000 to provide significant benefits for the disadvantaged, the handicapped, and the minorities. The scope of the Office's programs is evidenced by the wide variety of types of assistance. A few examples are: (1) special education for over 5.7 million disadvantaged children; (2) approximately 2 to 2.5 million college students will be aided in pursuing the career of their choice; (3) about 13 million youth and adults will be assisted in preparing for meaningful work opportunities in Federally-supported occupational and vocational programs; (4) over 50,000 handicapped school and preschool age children will be helped to reach their full potential; (5) about 120,000 Indian children and adults will receive additional educational services; (6) 200,000 students attending predominantly black colleges will have an opportunity to pursue an enriched post-secondary education program; (7) fellowships, institutes and other training programs will help raise the qualifications of teachers with substandard certificates and will benefit approximately 214,000 teachers.

But quantity alone does not reflect the full magnitude of the responsibilities for program administration. Through its professional staff, the Office of Education must maintain close working relationships with State departments of education, local school districts, colleges and universities, State higher education authorities,

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educational organizations and associations and financial institutions. It must assure that Federal funds are used as intended by Congress, and at the same time respect the local autonomy of education. Even though program funds have increased and their scope and emphasis have diversified, the salaries and expenses have remained at less than two percent of the total appropriation.

The organization of the Office of Education reflects the levels of education through six bureaus — Office of Management, Office of Planning, Bureau of School Systems, Bureau of Handicapped, Bureau of Occupational, Vocational, and Adult Education and Bureau of Post Secondary Education.

The fiscal year estimate for program administration represents an increase of $8,769,000 over the 1975 estimate of $91,915,000. The request will provide a total of 3,040 positions compared to 2,873 in 1975. These additional 167 positions are vitally needed to expand technical assistance and other field services to carry out the expansion in certain programs and new responsibilities assigned to the Office by the Education Amendments of 1974. This increase includes 117 for the Guaranteed Student Loan Program , 42 to carry out the Special Projects Act, and eight for the higher education Incentive Grants for State Scholarships program. Every effort will be made to utilize these funds and positions in the most efficient and effective means possible to discharge the Office's responsibilities of prudent program management and educational leadership.

Support is included to carry out a variety of evaluation and planning studies to test the effectiveness of some of our programs, and to improve the management of others. The 13 continuing studies include seven that were required in the education Amendments of 1974. Although the requested level for new studies is down forty percent from fiscal year 1975, it still provides for evaluation in such important areas as postsecondary education, education for the handicapped, Indian education, and the Teacher Corps.

Within the general program dissemination activity, funds requested will provide for publicizing expanding educational opportunities for women, advice on student financial aid programs other than basic opportunity grants, and information on the metric system. Advertising encouraging student interest in obtaining an education in a technical area, as opposed to liberal arts, will be continued.

An amount of $2,041,000 will provide operational support to the 13 continuing advisory committees. The increase of $360,000 over the 1975 level will provide full-year support for the three committees (career education, community education, and women's education) created in fiscal year 1975, and will support expanded responsibility of all committees. In addition to the 3,040 positions supported in program administration, this activity supports 38, the same as last year. These are all assigned to the five Presidentially-appointed committees.

	1975 Estimate		1976 Estimate		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
1. **Program Administration..**	2,873	$91,915,000	3,040	$100,684,000	+167	$+8,769,000

Narrative

To enable the Commissioner to carry out the purpose and duties of the Office **of Education,** Section 400(d) of the General Education Provisions Act authorizes funds **for necessary** salaries and expenses. The major duties of the Office are to assist **States and** local education agencies to develop their capacity to provide education **services** to aid in the establishment and maintenance of efficient school systems and **otherwise** promote the cause of education throughout the country.

The budget request for program administration for fiscal year 1976 represents **an increase** of 167 new positions and $8,679,000 over the fiscal year 1975 level. The **increase** in positions is made up of 117 positions to continue to strengthen the **management** of the Guaranteed Student Loan Program, 42 positions to carry out the provisions of the Special Projects Act, and 8 positions to administer the expanded **Higher** Education Incentive Grant for State Scholarships program. Additional manpower **requirements** to address other program priorities in the fiscal year 1976 request will **be met** through a proposed reallocation of authorized positions from activities proposed **for termination** or phase out.

The $8,769,000 net increase in program administration is made up of increases **for built**-in costs primarily to annualize fiscal year 1975 authorized positions **filled only** part of the year, costs that include salaries and related costs for 167 **new positions**, and automatic data processing costs primarily to continue improving **management** of the Guaranteed Student Loan program. Significant decreases result from **the completion** in fiscal year 1975 of studies mandated by the Education Amendments of **1974 and in** contractual services.

In fiscal year 1975 the Office of Education began implementation of an agency-**wide manpower** utilization system to assist in establishing manpower resource needs **by functional** and program activity. Two special manpower analyses are included in **this budget** submission: (1) Special Analysis A provides an analysis of six functional **or** program activities within five of the major offices or bureaus in the **Office** of Education; and (2) Special Analysis B provides a manpower analysis for the **Guaranteed** Student Loan program. The Office of Education plans to implement this **system in fiscal year** 1976.

Summary of Positions

	1975 Estimate		1976 Estimate		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Office of the Commissioner..	187	$ 5,077,500	198	$ 6,577,000	+11	$+1,499,500
Regional Offices............	812	24,015,100	914	26,632,700	+102	+2,617,600
Office of Management........	677	25,794,900	692	29,432,900	+15	+3,638,000
Office of Planning..........	123	3,308,500	123	3,711,200	--	+402,700
Bureau of School Systems....	438	13,507,900	438	13,394,600	--	-113,300
Bureau of Education for the Handicapped...........	127	3,737,500	135	3,966,900	+8	+229,400
Bureau of Occupational and Adult Education...........	133	4,325,700	156	4,505,400	+23	+179,700
Bureau of Postsecondary Education.................	376	12,147,900	384	12,463,300	+8	+315,400
Total.................	2,873	91,915,000	3,040	100,684,000	+167	+8,769,000

The above summary of positions shows the distribution of permanent staff by major organizational unit for the Program Administration activity. A more detailed presentation of positions by budget activity and/or functional staff unit follows.

OFFICE OF THE COMMISSIONER

1975 Estimate		1976 Estimate		Increase or Decrease	
Pos.	Amount	Pos.	Amount	Pos.	Amount
187	$5,077,500	198	$6,577,000	+11	1,499,500

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Program direction and coordination....................	33	33	--
Innovative and			
Experimental Programs......	6	6	--
Career education...........	16	19	+ 3
Women's educational equity.	3	10	+ 7
Arts in education..........	2	3	+ 1
16 Point Spanish Speaking....	5	5	--
Black Concerns Staff.........	4	4	--
Equal Employment Opportunity.	7	7	--
Education personnel:			
Teacher corps.............	37	37	--
Elementary and Secondary Education:			
Right to Read.............	26	26	--
Public Affairs..............	48	48	--
Total....................	187	198	+11

General Statement

A total of 198 positions are requested for the Office of the Commissioner, an increase of 11 positions over the fiscal year 1975 level. The Office of the Commissioner directs activities to enable the Commissioner to carry out responsibilities and authorities vested in him by law or by delegation as head of the Office of Education. The Office of Education is the primary agency of the Federal Government responsible for the administration of programs of financial assistance to educational agencies, institutions, and organizations. In addition to directly managing several special programs designed to meet unique educational needs and to place special emphasis on national education priorities, this office also coordinates the function of the Regional Offices.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Special Projects	6	6	- -

In fiscal year 1976 nine innovative and experimental programs mandated by the Special Projects Act (P.L. 93-380) will be coordinated by this office. These projects are designed to support experiments with new educational and administrative methods and techniques, and to meet special educational needs and problems. Three of these programs will be administered directly in the Office of the Commissioner: Career education, Women's educational equity, and Arts in education. The eleven new positions requested are all for these Special Projects.

The objectives of each of these special projects are so closely related that the following statement of objectives is applicable to each one.

Objectives:

- Complete and disseminate guidelines, regulations, and administrative policies
- Establish an approved organizational structure, and employ qualified personnel
- Provide technical assistance to agencies concerned with the various special areas of consideration.
- Support projects through grants and contracts to accomplish the purposes of the legislation
- Monitor activities authorized by the various concerns to ensure proper utilization of project funds.
- Collect and analyze information to perform evaluations and support major reports in each area.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Career Education	16	19	+3

Career Education -- This program will develop information about the needs for career education of all children, assist some State and local education agencies develop plans for implementing career education, provide for the training and retraining of persons conducting career education programs, promote a national dialogue on career education and demonstrate the best of current career education programs and practices.

The increase in positions reflects the fact that project planning and monitoring will cover two years of activities. Fiscal year 1975 was the first year of this program.

	1975 Estimate		1976 Estimate		Increase or Decrease
Program Data:					
Appropriation	$	10,000,000	$	10,135,000	$ +135,000
Number of applications to be processed		115		160	+45
Number of awards to be made		108		148	+40
Major program reports		--		1	+1
No. awards monitored		108		256	+148

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Women's Educational Equity	3	10	+7

Women's Educational Equity - Grants and contracts to provide educational equity for women at all levels of education through the improvement and expansion of special and innovative programs. Workshops will be conducted to provide technical assistance on compliance with Title IX (P.L. 92-318) and to develop training modules for the elimination of sex stereotyping in education. The workload associated with the new program will require 7 new positions for program planning and operation.

Program Data:

	1975	1976	Increase or Decrease
Appropriation	$ ---	$ 6,270,000	$ +6,270,000
Number of awards for modules on elimination of sex stereotyping	---	6-9	+6-9
Number of awards for technical assistance materials for national and regional workships on compliance with Title IX (P.L. 92-318)	---	10-12	+10-12
Number of awards for training projects	---	15-22	+15-22
Number of awards for survey, evaluation, and dissemination	---	1	+1
Number of small grants to support innovative approaches to the provision of educational equity	---	15-20	+15-20

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Arts in Education	2	3	+1

Arts in Education - Grants and contracts will be awarded to encourage and assist State and local education agencies to establish and conduct programs in which the arts are an integral part of elementary and secondary school programs. This program involves coordination with efforts of other activities already established, particularly the programs and arrangements made through or with the John F. Kennedy Center for the Performing Arts.

The increase in funds requested will aid in the support of an estimated two new contracts to assist State or local educational agencies in developing and executing comprehensive plans for arts education. One additional position is requested for this activity in fiscal year 1976.

Program Data:

Appropriation......................	$ 500,000	$ 750,000	$ +250,000
Number of awards to Kennedy Center........................	2	2	--
Number of Awards to State and local educational agencies......	38	40	+2

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Spanish Programs	5	5	--

The Sixteen Point Spanish Speaking Program is concerned with developing information and designing ways of informing Hispanic Americans of educational opportunities. This staff also provides technical assistance to private enterprises in their efforts to develop materials relevant to the education of Spanish-speaking children. Also they serve a liaison function between State and local educational agencies and the Office of Education.

Program Data:

Responses to inquiries from visitors........................	500	500	--
Meetings attended outside of the Office of Education.............	12	12	--
Meetings attended within the Office of Education.............	30	30	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Black Concerns	4	4	--

The Black Concerns Staff serves as a liaison between the Office of Education and the Black community. This staff focuses its concern on accelerating desegregation and promoting recognition and awareness of African-American programs and events.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Equal Employment	7	7	--

The Equal Employment Opportunity Office was established to safeguard the rights of employees, and to serve as a center to which an employee could turn for information. This Office takes responsibility for hearing the grievances of employees, and ensuring that appropriate steps are taken in these actions.

Program Data:

Number of persons counseled..........	90	150	+ 60
Number of inquiries..................	200	200	---

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Teacher Corps	37	37	--

The activities of the Teacher Corps are directed toward improving educational opportunities for children of low-income families by improving the quality of programs of teacher education for both certified teachers and inexperienced teacher interns. In 1976, projects will emphasize training and retraining for personnel within a cooperating school.

A special manpower analysis has been performed for this activity and is attached as part of Special Analysis A.

Objectives:

- Incorporate the various aspects of the new legislation in revised project formats.
- Initiate programs that will emphasize the integregation of preservice and inservice training programs.
- Disseminate information on practices proven useful in these unique school settings.
- Develop training projects to improve the management and planning capabilities of school principals.

Program Data:

Appropriation......................	$ 37,500,000	$ 37,500,000	$ ---
Number of new applications processed......................	251	322	+71
Number of awards to be made........	380	387	+7
Number of site visits to be made...	275	387	+112
Number of projects closed out......	107	153	+46

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Right to Read	26	26	--

The purpose of the Right to Read program is to provide facilitating services and resources to stimulate educational institutions, governmental agencies, and private organizations to improve and expand their activities related to reading.

A special manpower analysis has been performed for this activity and is attached as part of Special Analysis A. No new positions are requested for fiscal year 1976.

Objectives:

- Initiate new activities required by the Education Amendments of 1974
- Develop innovative approaches to teaching reading
- Develop an adult literacy television program
- Encourage the improvement and expansion of activities related to reading in all organizations and institutions
- Phase out 1975 activities not authorized by the Education Amendments of 1974

Program Data:

Appropriation......................	$ 12,000,000	$ 12,000,000	$ ---
Number of applications processed...	297	310	+13
Number of awards to be made........	207	114	-93
Number of site visits to be made...	150	175	+25
Number of Major Porgram Reports....	--	1	+1

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Public Affairs	48	48	--

Public affairs activities include the development and direction of a comprehensive public information system. This program involves a variety of editorial services and the dissemination of news and publications of interest to the education community.

Other supportive services including advice, clearance, and monitoring assistance are provided for all pahses of audiovisual production and general public affairs activity. Responsibility for responding to requests made under the Freedom of Information Act, as well as overseeing all productions within the Office of Education are under this activity. Additionally, under general program dissemination the results of educational demonstrations are made available to the general public and the educational community to promote improvements in the educational process.

	1975 Estimate	1976 Estimate	Increase or Decrease
Program Data:			
Appropriation......................	$ 500,000	$ 500,000	$ ---
Freedom of Information Requests Processed........................	20	20	---
News Releases & Fact Sheets to be Prepared.........................	165	173	+8
Correspondence & News Media Inquiries to be answered........	3,150	3,150	---
Speeches and Messages to be Written.........................	272	332	+60
Publications to be Prepared.......	65	70	+5
Contracts to be Monitored.........	59	70	+11
Draft Presidential Messages.......	1	2	+1

REGIONAL OFFICES

1975 Estimate Pos.	1975 Estimate Amount	1976 Estimate Pos.	1976 Estimate Amount	Increase or Decrease Pos.	Increase or Decrease Amount
812	$24,015,000	914	$26,632,700	+102	+$2,617,600

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Regional Commissioner's Office	137	137	--
Immediate Office	56	56	--
Contracts and Grants, and Financial Management	46	46	--
General Administration	35	35	--
School Systems	204	204	--
Director's Office	26	26	--
Grants for Disadvantaged	12	12	--
School Assistance to Federally Affected Areas	36	36	--
Emergency School Assistance--Special Projects and Programs	82	82	--
Emergency School Assistance--Training and Advisory Services	34	34	--
Dropout Prevention	3	3	--
Library Programs	11	11	--
Postsecondary Education	122	122	--
Director's Office	21	21	--
Construction Programs	19	19	--
Student Financial Aid Programs	44	44	--
Special Programs for the Disadvantaged	31	31	--
Veterans Cost of Instruction	7	7	--
Guaranteed Student Loans	265	367	+102
Occupational and Adult Education	84	84	--
Director's Office	22	22	--
Grants to States for Vocational Education	24	24	--
Vocational Research	11	11	--
Adult Education	11	11	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Occupational and Adult Education (cont'd.)			
Education Personnel Development Programs	16	16	--
Total	812	914	+102

General Statement

The ten regional offices are responsible for administering various functions of programs grouped under four organizational units: School Systems, Postsecondary Education, Occupational and Adult Education, and Guaranteed Student Loans. The responsibilities associated with the overall management and direction of each regional office is within the immediate Office of the Regional Commissioner.

Many of the programs under the School Systems organization, such as Emergency School Assistance, Civil Rights and School Assistance to Federally Affected Areas have requirements to provide services that would be difficult for headquarters to administer adequately. These services include technical assistance, training, liaison and monitoring activity with State and local educational agencies.

Several programs in the area of student financial assistance fall under the Postsecondary Education office. The regional offices are primarily responsible for reviewing applications and conducting site visits for the financial aid program.

The staff associated with Occupational and Adult Education provides technical assistance for vocational and technical education, occupational education, adult education, education professions development, and the Comprehensive Employment and Training Act. Additionally, they coordinate developments in the Washington office that are relevant to the administration of this program in the regional offices.

The Guaranteed Student Loan offices in the regions are responsible for the direction and management of the entire program in each region. They must also ensure program compliance of participating institutions, and enforce collection of outstanding accounts. All 102 additional positions requested for fiscal year 1976 are to support a continued strengthening of the Guaranteed Student Loan Program. This requested increase will strengthen both program compliance and collection functions in the Regional Offices. Following the justification for Program Administration, as Special Analysis B, is an in-depth analysis of the administrative requirements to support the Guaranteed Student Loan Program for both Headquarters and the Regional offices.

OFFICE OF MANAGEMENT

1975 Estimate		1976 Estimate		Increase or Decrease	
Pos.	Amount	Pos.	Amount	Pos.	Amount
677	$25,794,900	692	$29,432,900	+15	$3,638,000

Program Activities	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Office Direction and Coordination.	74	74	--
Administrative Services...........	89	89	--
Financial Support Services........	88	88	--
Grant and Procurement Administration........................	116	116	--
Management Systems and Analysis...	102	102	--
Personnel and Training............	49	49	--
Office of Guaranteed Student Loans	159	174	+15
Total.........................	677	692	+15

General Statement

The Office of Management plans, directs, and coordinates all activities in the areas of finance, contracts and grants, personnel, general administrative services, management evaluation and administrative budgeting. Its responsibilities include provision of administrative support to the agency and development, maintenance, and presentation to the Commissioner and program managers of timely and accurate information concerning the status of available administrative resources to aid them in making management decisions. In addition to these overall management and coordinating functions, the Office of Management also has functional responsibility for operating the Guaranteed Student Loan Program. A total of 692 positions are requested for the Office of Management, an increase of 15 positions over the fiscal year 1975 level. All new positions are requested to continue to strengthen the operation of the Guaranteed Student Loan Program.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Office Direction and Coordination.	74	74	--

In addition to overall direction and coordination activities the immediate office staff manages specific functions that include coordination and management for Presidentially appointed advisory committees, regulations control, and the Commissioner's correspondence. Specific management objectives of the Office of Management for fiscal year 1976 include:

- Strengthening Office of Education's capacity to provide post-award administration of contract and grant awards.

- Continue to strengthen the administration of the Guaranteed Student Loan program.

- Achieving full implementation of new Department of Health, Education and Welfare finance and accounting systems.

- Achieving full conversion to Department of Health, Education and Welfare automated personnel management system.

- Increasing efforts related to management evaluation especially manpower utilization.

- Strenghtening Office of Education's automatic data processing capacity to achieve more effective management of the agency.

- Achieving more effective management of grant procurement management function through more detailed scheduling of award activities and more timely processing of grant applications.

- Strengthening effectiveness of personnel classification function.

- Providing management support necessary to the implementation of the Education Amendments of 1974 (P.L. 93-380).

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase Decrease
Administrative Services........	89	89	--

The administrative services provided include mail processing, procurement, office space planning, equipment purchasing and maintenance, printing, travel processing, and agent cashier.

Management Objectives:

- Increase level and effectiveness of mail handling in the Office of Education.

- Achieve and maintain more effective property management throughout the Office of Education.

- Provide travel services on a more timely basis and with a greater degree of management control.

- Improve service to the public, the Congress and to education institutions by expanding and increasing the effectiveness of information material processing.

Workload Data:

	FY 75	FY 76	Increase Decrease
Pieces of incoming mail processed.	5,000,000	5,500,000	+500,000
Printing requests processed.......	620	650	+ 30
Property requisitions processed...	3,950	4,306	+ 356
Cash disbursements made...........	11,600	11,600	--
Travel orders processed...........	6,000	6,000	--
Information materials issued......	87,500	90,000	+ 2,500

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Financial Support Services.......	88	88	--

The financial support services within the Office of Management include planning, developing, and executing an integrated system of financial policy, procedure, and standards for operations; operating a central system of transaction accounting, reporting, and certification of the availability of funds.

Management Objectives:

- Update and improve current financial policies and strengthen policy planning capabilities.

- Achieve full implementation of new department-wide finance systems.

- Increase effectiveness of program voucher processing.

- Provide increased level of financial service necessary to implementation of the Education Amendments of 1974.

- Perform additional finance, accounting and reporting functions as required by the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344).

Workload Data:

	FY 1975	FY 1976	Increase Decrease
Obligations processed............	79,000	80,250	+ 1,250
Error corrected..................	705,023	584,427	-120,596
Funding documents prepared.......	7,000	7,280	+ 280
Administrative vouchers processed	55,500	60,000	+ 4,500
Disbursement vouchers processed..	180,095	132,000	- 48,095
Letters of credit processed......	3,600	1,800	+ 1,800
Collections processed............	69,500	81,052	+ 11,552
Systems production requests processed......................	2,700	3,000	+ 300

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Grant and Procurement Administration	116	116	--

The grant and procurement administration functions within the Office of Management include establishing contract management policy and procedure and directing the negotiation and administration of contracts and discretionary grants awarded by all components of the Office of Education. Also they are responsible for overseeing the proper utilization of government property held by contractors and grantees.

Management Objectives:

- Provide grant and procurement management services necessary to the effective implementation of the Education Amendments of 1974.

- Strengthen post-award contract and grant administration.

Workload Data:	FY 1975	FY 1976	Increase Decrease
Contracts negotiated and/or modified........................	3,847	4,000	+ 153
Grants negotiated.................	10,094	10,497	+ 403
Grant revisions made..............	7,210	7,210	--
Grant close-outs made.............	10,000	10,000	--
Property counts made..............	1,000	1,000	--
Program schedules produced.......	120	120	--
Applications processed...........	25,000	26,000	+1,000
Cost & Price reports issued......	97	100	+ 3

A special manpower analysis has been performed for this activity and is attached as part of special analysis A.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Management Systems & Analysis....	102	102	--

The management systems and analysis function includes developing policies, plans, and goals for organizational structure, management systems and manpower allocation and utilization; conducting management studies and manpower analysis; coordinating the developing of management information systems and data processing systems; evaluating and reporting on the overall effectiveness of Office of Education organization and management; providing ADP systems analysis and programming services; monitoring contracts providing computer programming support; and maintaining liaison with the Data Management Center on computer operations and services. Other major functions are formulating and executing the administrative budget of the Office of Education, executing the delegations of authority, ensuring correspondence and records management, and coordinating all audits of Office of Education programs.

Management Objectives:

- Provide increased support to Office of Education data system.

- Implement and maintain work measurement manpower system.

- Increase quality and frequency of management manpower reviews.

Workload Data:

	FY 1975	FY 1976	Increase Decrease
Management/manpower reviews........	11	15	+ 4
Management procedures published...	3	5	+ 2
Suggestions reviewed..............	35	35	--
Chapters in standards manual published..........................	5	5	--
Computer jobs monitored...........	96,000	108,000	+12,000
Systems Engineering Service projects completed..................	12	15	+ 4
Quick Response Programming requests received..........................	168	192	+ 24
Vendor file addition and correspondence handled.................	9,360	9,360	--
Systems analysis/programming project maintained................	150	150	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Personnel and Training..........	49	49	--

The personnel and training function within the Office of Management includes providing personnel management policy and procedures and interpretation of Civil Service Commission and departmental personnel standards for all elements of the Office of Education. Services rendered include: position classification; employment and placement screening and referral; employee relations and services; labor management relations; personnel action processing and records maintenance; and employee development and training.

Management Objectives:

- Increase effectiveness of position classification activities.

- Implement Department of Health, Education and Welfare automated personnel management system.

- Strengthen labor-management function to meet legal and administrative procedural requirements.

Workload Data:

	FY 1975	FY 1976	Increase Decrease
Personnel actions processed......	4,000	4,000	--
Complaint grievances evaluated...	750	750	--
Training actions processed.......	1,500	1,700	+200
Applicants screened/placed/interviewed for special training..	1,700	1,800	+100
New positions classified.........	500	1,000	+500
Vacancy announcements issued.....	300	325	+ 25

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Office of Guaranteed Student Loans	159	174	+15

The Office of Guaranteed Student Loans plans, directs and evaluates all administrative activities associated with the operation and management of a program of low interest long-term insured loans for college and vocational students under which loans made by commercial and other lenders are insured (or reinsured) by the Federal Government and insured by State and nonprofit private agencies. Provides for payments to reduce interest costs to student borrowers and payments of special incentive allowances to lenders including payment of claims on insured loans. The central office staff provides specific direction and coordination activities in the area of field support, program development and operational support.

Management Objectives:

- Improve collections of defaulted loans to minimize the loss to the Federal Government.

- Revise and publish stringent program regulations.

- Issue up-dated program manuals for lenders and eligible institutions.

- Design a sophisticated and improved computer system to assure financial accountability, a quality data base and sound long-range management and administration of the program.

Workload Data:

A special manpower analysis has been performed for this activity and is attached as part of special analysis B.

OFFICE OF PLANNING

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Immediate Office.................	8	8	---
Legislative Affairs.............	20	20	---
Evaluation......................	62	62	---
Planning and Budget Activities...	33	33	---
Total................	123	123	---

General Statement

To efficiently plan, direct, coordinate and evaluate Office of Education programs at the agency level, we are requesting 123 positions.

The activities necessary to support planning and evaluation studies of programs administered by the Office of Education are the responsibility of this office. The staff also coordinates liaison activities with the Office of the Secretary and the Office of Management and Budget for planning, budgeting and operational systems. This office handles matters relating to appropriation requests and the appropriation committees of Congress. All matters concerned with proposed new authorizing legislation or amendments to existing laws, the coordination and monitoring of policy developments throughout the Office of Education are also handled by this office.

Objectives:

- Conduct studies to identify educational problems and issues.
- Develop alternative solutions to problems in education, including legislative and budget recommendations.
- Assess the impact and effectiveness of Federal education programs.
- Conduct such studies as are required by the Congress.
- Provide the basis of the annual report to Congress on the effectiveness of Office of Education administered programs.
- Develop, submit and defend annual budget to the Department of Health, Education, and Welfare, Office of Management and Budget and the Congress.
- Develop, submit and defend legislative proposals, new amendments and new authorizations.
- Coordinate agency-wide policy development and implementation systems.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Legislative Affairs	20	20	---

The legislative affairs staff plans and prepares the necessary reports and specifications for new legislation. In addition, they provide information on the status and content of legislation affecting education to organizations and individuals interested in the improvement of education, and coordinate Congressional correspondence and other Congressional communication.

Objectives:

- Respond effectively to congressional inquiries.
- Increase the efficiency of the legislative information system.
- Prepare prompt and informative responses to public inquiries.
- Prepare legislative proposals.
- Prepare, review testimony and testify before the Congress.
- Review all educational legislation introduced.

Program Data:	1975 Estimate	1976 Estimate	Increase or Decrease
Congressional mail	6,147	8,000	+ 1,857
Telephone inquiries	1,243	1,500	+ 257
New legislation review	75	100	+ 25
Education legislation submitted	6	6	---
Number of times testified	20	30	+ 10

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Evaluation	62	62	---

Grants are awarded to and contracts are made with public and private organizations for planning and evaluation studies of programs administered through the Office of Education. In 1975 eight of the studies mandated by Public Law 93-380 were initiated.

All evaluation activities including the annual evaluation plan, the design and monitoring of evaluation studies, and the development of policy recommendations resulting from such studies are the responsibility of this office.

The packaging and installation of effective educational approaches and products program is also their responsibility. The purpose of this program is to accelerate the replication of successful educational practices and products growing out of projects funded by the Office of Education. Promising projects are subjected to rigorous validation of their educational effectiveness. For those which are shown to be successful, detailed how-to-do-it project information packages (PIPs) are developed to serve as a basis for replication. The PIPs are then field-tested in schools and, if they result in successful replication, are made available for widespread implementation.

Objectives:

- Continue 43 education evaluation studies.
- Initiate 21 new planning and evaluation studies.
- Defend policy memoranda with the Department of Health, Education, and Welfare and the Office of Management and Budget.
- Issue requests for proposals for new evaluation and planning studies.
- Monitor continuing studies for performance and content of specifications
- Produce annual evaluation report
- Prepare and disseminate policy implication memoranda.
- Prepare and disseminate executive summaries.

Program Data:	1975 Estimate	1976 Estimate	Increase or Decrease
Issue request for proposals	23	21	- 2
Monitor continuing studies	46	43	- 3
Issue policy implication memoranda	5	10	+ 5
Issue annual reports	1	1	---
Executive summaries completed	20	25	+ 5
PIPs being developed	12	---	- 12
PIPs being field-tested	6	12	+ 6
PIPs being implemented	---	6	+ 6

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Planning and Budgeting Activities	33	33	---

The planning and budget staff direct the development and monitoring of the annual cycle of the Office of Education planning events and directs the formulation and execution of the program budget in conformity with the plan. Prepares policy decision papers based on five year plan and results of relevant evaluation studies. Provides liaison between the agencies involved with the preparation of appropriations. Included in this responsibility is the preparation of justifications and testimony for appropriation requests.

The staff is also responsible for receipt of all funds received by transfer or direct appropriation, as well as the establishment of safeguards to prevent violations of the anti-deficiency regulations. Additionally, this office issues all the administrative distributions of funds, and reveiws proposed legislation for budgetary implications.

Estensive overtime is required to meet the time schedules and workload requirements of the Office, Department of Health, Education, and Welfare, the Office of Management and Budget, and the Congress.

Objectives:

- Develop five year plan.
- Prepare policy papers
- Issue and implement policy decisions.
- Prepare budget justification and testimony.
- Insure orderly allocation of funds.
- Refine safeguards to prevent anti-deficiency violations.

Program Data:	1975 Estimate	1976 Estimate	Increase or Decrease
Budget justifications developed	45	45	---
Allotments and limitations issued	2,132	2,366	+ 234
Programming actions reviewed	300	325	+ 25
Proposed legislation reviewed	75	100	+ 25
Outlay analyses completed	300	300	---
Expenditure control reports issued	135	135	---
Congressional inquiries answered	409	450	+ 41
Policy papers issued	41	45	+ 4
Long range plans	1	1	---
Public inquiries(mail and telephone)	321	350	+ 29
Transcripts edited	28	32	+ 4
Testimony provided	56	60	+ 4
Other reports (Press releases, State tables, etc.)	400	450	+ 50

Bureau of School Systems

1975 Estimate Pos.	1975 Estimate Amount	1976 Estimate Pos.	1976 Estimate Amount	Increase or Decrease Pos.	Increase or Decrease Amount
438	$13,507,900	438	$13,394,600	--	$ -113,300

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Program Activities:			
Grants for Disadvantaged................	71	71	--
Support and Innovation Grants:			
(1) Consolidation Program..............	--	57	+57
(2) Strengthening State Departments of Education......................	25	--	-25
(3) Supplementary Services............	29	--	-29
(4) Nutrition and Health...............	3	--	-3
(5) Dropout Prevention.................	--	--	--
Bilingual Education......................	50	50	--
Follow Through..........................	25	25	--
Educational Broadcasting Facilities......	12	12	--
Drug Abuse Education....................	7	7	--
Environmental Education.................	7	7	--
School Assistance in Federally Affected Areas:			
Maintenance and operation...............	39	39	--
Construction............................	7	7	--
Emergency School Aid:			
Special Programs and Projects..........	33	33	--
Training and Advisory Services.........	17	17	--
Packaging and Field Testing.............	10	10	--
Educational TV Programming..............	5	5	--
Public Libraries........................	11	5	-6
Libraries and Instructional Resources:			
(1) Consolidated Program...............	--	7	+7
(2) School Library Resources...........	6	--	-6
(3) Equipment and Minor Remodeling.....	1	--	-1
(4) Guidance and Counseling............	--	--	--
Undergraduate Instructional Equipment....	1	1	--
Interlibrary Cooperation and Demonstration................................	--	6	+6
Program Phase Out Activities............	8	8	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Program Activities: (cont'd)			
Program Direction and Coordination.......	71	71	--
Total...............................	438	438	--

General Statement

A total of 438 positions are requested for administering the activities associated with the Bureau of School Systems in fiscal year 1976, the same level as fiscal year 1975. Although no new positions are requested, a redistribution of authorized positions is proposed to address new priorities.

The Bureau of School Systems formulates policy for, directs, coordinates the activities of, and administers various programs of the Office of Education for the improvement of elementary and secondary education and libraries. Support is provided to State and local educational agencies, State library agencies, colleges and universities, public and private organizations through formula grants, discretionary grants, and contracts.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Grants for Disadvantaged	71	71	--

Grants are made to State educational agencies to help improve educational programs in order to meet the special needs of educationally deprived children, handicapped, neglected, delinquent, and migrant children.

Program Data:

Appropriation......................	$1,876,000,000	$1,900,000,000	$ +24,000,000
Awards to be made..................	265	131	-134
Monitoring site visits to be made (SEA's and LEA's)................	979	1,001	+22
Number of State Program Reviews....	90	101	+11

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Support and Innovation Grants:			
Consolidation Program............	--	57	+57
Strengthening State Departments of Education..................	25	--	-25
Supplementary Services...........	29	--	-29
Nutrition and Health.............	3	--	-3
Dropout Prevention...............	--	--	--

The Education Amendments of 1974 authorized the consolidation of several categorical programs. The consolidation is scheduled to take place in two steps. In the first year, 1976, 50 percent of the funds remain available for each of the categorical purposes; the remaining 50 percent is to be used on a consolidated basis with State and local authorities making determination on the specific use of funds. From 1977 and beyond, all of the funds are to be used at the discretion of State and local authorities.

Positions associated with categorical programs in fiscal year 1975 would support partial consolidation in fiscal year 1976.

Program Data: Consolidation Program

Appropriation......................	$ ---	$ 86,444,000	$ +86,444,000
Number of Grant Awards made and monitored.......................	---	57	+57

Program Data: Strengthening State Departments of Education

Appropriation......................	$ 29,569,000	$ 19,712,500	$ -9,856,500
Number of Grant Awards made........	224	56	-168
Number of State grants monitored...	56	56	--

	1975 Estimate		1976 Estimate		Increase or Decrease
Program Data: Strengthening State Departments of Education (cont'd)					
Number of applications received (Sec. 505 - Discretionary Grants)..........................		50		50	--
Number of Grant Awards made (Sec. 505 - Discretionary Grants)......		24		18	-6
Program Data: Supplementary Services					
Appropriation......................	$	101,170,000	$	63,781,500	$ -37,388,500
Number of Grants awarded to States.		171		57	-114
Number of State grants monitored...		57		57	--
Number of Grant Awards made (Sec. 306 - Discretionary Grants)......		318		--	-318
Program Data: Nutrition and Health					
Appropriation......................	$	900,000	$	950,000	$ +50,000
Number of applications received....		25		25	--
Number of Grant Awards made........		7		3	-4
Number of projects monitored.......		12		15	+3
Program Data: Dropout Prevention					
Appropriation......................	$	---	$	2,000,000	$ +2,000,000
Number of applications received....		---		19	+19
Number of awards made..............		---		5	+5

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Bilingual Education	50	50	--

This staff administers the Bilingual Education Program, which makes grants to local educational agencies to enable them to develop and demonstrate elementary school programs to meet the educational needs of children of limited English-speaking ability, and to support training projects and materials development activities.

No new positions are requested for fiscal year 1976.

	1975 Estimate	1976 Estimate	Increase or Decrease
Program Data:			
Appropriation......................	$ 70,000,000	$ 70,000,000	$ ---
Number of Awards made..............	393	319	-74
Number of projects supported.......	393	319	-74
Number of Fellowship/Traineeship Recipients......................	814	1,320	+506

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Follow Through	25	25	--

This program is an experimental, compensatory education program designed to develop and test new ways to educate disadvantaged children in the early primary grades (kindergarten through third grade).

A special manpower analysis has been performed for this activity and is attached as part of Special Analysis A.

Program Data:

Appropriation......................	$ 47,000,000	$ 41,500,000	$ -5,500,000
Number of applications received...	220	220	--
Number of grants made.............	169	169	--
Number of monitoring site visits..	90	128	+38

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Educational Broadcasting Facilities	12	12	--

This program provides matching grants for acquisition and installation of equipment to be used in noncommercial educational broadcasting stations to serve the educational, cultural, and informational needs of Americans in homes and schools.

Program Data:

Appropriation......................	$ 7,000,000	$ 7,000,000	$ ---
Number of applications reviewed...	210	210	---
Number of awards made.............	39	26	-13

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Drug Abuse Education	7	7	--

Although Drug Abuse Education has no program money associated with it in fiscal year 1975 and 1976, the positions associated with this activity are necessary to continue providing leadership to States, school districts, and communities through training to enable them to develop drug abuse prevention programs geared to their specific needs.

Program Data:

Appropriation	$ ---	$ ---	$ ---
Number of prior year awards to monitor	601	---	-601
Number of prior year awards to close out	1,800	1,000	-800

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Environmental Education	7	7	--

This program provides grants to nonprofit agencies, institutions, or organizations for the support of environmental education pilot and demonstration projects. The goal of the program has been to stimulate non-Federal efforts rather than directly provide services on a large scale. Fiscal year 1975 is the last year of funding for this program. The positions in fiscal year 1976 will be needed to phase out the program.

Program Data:

Appropriation	$ 1,900,000	$ ---	$ -1,900,000
Number of applications received	1,295	---	-1,295
Number of awards to be made	85	---	-85
Number of States receiving awards	40	---	-40
Number of prior year awards to monitor	110	85	-25
Number of prior year awards to close out	160	110	-50

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
School Assistance in Federally Affected Areas - Maintenance and Operations	39	39	--

The School Assistance in Federally Affected Areas program provides Federal assistance primarily to local school districts in which enrollments are affected by Federal activities.

Although the number of awards is decreasing in fiscal year 1976, the work involved in phasing out prior year accounts and developing operation for the new proposed legislation will require the same number of positions in fiscal year 1976 as in fiscal year 1975.

Program Data:

Appropriation.....................	$ 636,016,000	$ 256,000,000	$ -380,016,000
Number of award to be made........	13,200	2,700	-10,500
Number of school districts served.	4,400	900	-3,500
Number of major program reports...	1	1	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
School Assistance in Federally Affected Areas - Construction	7	7	--

An amount of $10,000,000 is being requested under the existing legislation to assist in the construction of schools in areas where enrollments are affected by Federal activities. In the past few years, an effort has been made to fund local agencies that have not been funded for several years, that have the most pressing needs, and that provide assistance for children residing on Indian lands.

Program Data:

Appropriation.....................	$ 20,000,000	$ 10,000,000	$ -10,000,000
Number of projects supported......	14	15	+1
Number of classrooms constructed..	161	130	-31
Number of major program reports...	1	1	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Emergency School Aid - Special Programs and Projects	33	33	--

This activity assists local educational agencies and supporting public organizations in conducting activities which promise to make substantial progress toward achieving the purposes of the Emegency School Aid Act.

Special appropriation language is being requested to target desegregation assistance under the project grant authority. This will permit focusing Federal support in the areas with greatest needs. Grants will be made to both public and private nonprofit agencies.

Program Data:

Appropriation.....................	$ 74,250,000	$ 74,250,000	$ ---
Number of applications received...	600	600	---
Number of awards to be made.......	240	240	---
Number of monitoring site visits..	480	480	---

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Emergency School Aid - Training and Advisory Services	17	17	--

This activity renders technical assistance in the preparation, adoption, and implementation of desegregation plans for public schools, and provides services and training for people to deal effectively with special educational problems occasioned by desegregation.

In both fiscal year 1975 and 1976, the program will stress capacity building at the State and local levels to address both desegregation and bilingual education problems.

Program Data:

Appropriation	$ 26,700,000	$ 26,700,000	$ ---
Number of applications to be processed	500	550	+50
Number of awards to be made	201	221	+20

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Packaging and Field Testing	10	10	--

This program identifies effective practices developed in Office of Education-supported programs, provides "packages" to facilitate their adoption and to make the packages available to school districts and State departments. An amount of $3,500,000 is being requested in fiscal year 1976.

Program Data:

Appropriation	$ 1,400,000	$ 3,500,000	$ +2,100,000
Number of new awards made	3	16	+13
Number of non-competing continuing awards made	--	2	+2

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Educational TV Programming	5	5	--

In fiscal year 1976, $7,000,000 is being requested to support the continued development, production, installation and utilization of innovative educational television programs for children. Support will be provided to continue the Children's Television Workshop--producers of Sesame Street and the Electric Company.

	1975 Estimate	1976 Estimate	Increase or Decrease
Program Data:			
Appropriation	$ 7,000,000	$ 7,000,000	$ ---
Number of new awards supported	5-15	5-15	---
Number of non-competing continuing awards supported	1	1	---

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Public Libraries	11	5	-6

Grants are made to States on a formula basis, with matching funds required. This program (1) promotes the extension and improvement of public library services in areas without such services or with inadequate services; (2) improves State library services for the physically handicapped, institutionalized, and disadvantaged persons; (3) strengthens State library administrative agencies; and (4) strengthens metropolitan libraries which serve as regional resource centers. The reduced funding in 1976 is a result of phasing out Federal support for this type of public library aid, while shifting Federal support to proposed new legislation.

The six positions associated with this program in fiscal year 1975 have been transferred to "Interlibrary Cooperation and Demonstration" (proposed legislation) in fiscal year 1976.

	1975 Estimate	1976 Estimate	Increase or Decrease
Program Data:			
Appropriation	$ 25,000,000	$ 10,000,000	$ -15,000,000
Coordination of grant awards made	56	56	--
Number of State program reviews	10	10	--
Number of monitoring site visits	30	30	--
Number of major program reports	1	1	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Libraries and Instructional Resources:			
Consolidated Program	--	7	+7
School Library Resources	6	--	-6
Equipment and Minor Remodeling	1	--	-1
Guidance and Counseling	--	--	--

The Education Amendments of 1974 authorized the consolidation of several categorical support and innovative programs. The consolidation was authorized to take place in two steps. In the first year, 1976, 50 percent of the funds remain available for each of the specific categorical purposes; the remaining 50 percent to be used on a consolidated basis with State and local authorities making determinations on the specific use of funds. From 1977 and beyond, all funds are to be used at the discretion of State and local authorities.

Positions associated with categorical programs in fiscal year 1975 would support partial consolidation in fiscal year 1976.

Program Data: Consolidated Program

Appropriation......................	$ ---	$ 68,665,000	$ +68,665,000
Number of grant awards made........	---	57	+57
Number of State program reviews....	---	10	+10
Number of monitoring site visits...	---	50	+50
Number of major program reports....	---	1	+1

Program Data: School Library Resources

Appropriation......................	$ 90,250,000	$ 45,951,951	$ -44,298,049
Number of grant awards made........	57	57	--
Number of State program reviews....	10	10	--
Number of monitoring site visits...	19	19	--
Number of major program reports....	1	1	--

Program Data: Equipment and Minor Remodeling

Appropriation......................	$ 21,750,000	$ 13,628,794	$ -8,121,206
Number of grant awards made........	57	57	--
Number of State program reviews....	10	10	--
Number of monitoring site visits...	19	19	--
Number of major program reports....	1	1	--

Program Data: Guidance and Counseling

Appropriation......................	$ 18,830,000	$ 9,084,255	$ -9,745,745
Number of grant awards made........	56	56	--
Number of major program reports....	1	1	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Undergraduate Instructional Equipment	1	1	--

This program awards grants to institutions of higher education to assist in the improvement of undergraduate programs through the [illegible] and equipment and materials and through minor remodeling.

No funds are requested for this program in fiscal year 1976, however, one position is requested to monitor carry over activities.

	1975 Estimate	1976 Estimate	Increase or Decrease
Program Data:			
Appropriation	$ 772,000	$ ---	$ -772,000
Number of applications received	110	---	-110
Number of grants made	110	---	-110
Number of monitoring site visits	13	---	-13
Number of major program reports	1	---	-1
Number of prior year awards to be monitored	2,000	110	-1,890
Number of prior year awards to be closed out	1,000	2,000	+1,000

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Interlibrary Cooperation and Demonstrations (Proposed Legislation)	--	6	+6

This proposed Library Partnership Act would coalesce a number of library-related categorical programs into one legislative authority. It will provide a program of discretionary grants and contracts designed to encourage and support innovation in libraries through national demonstrations of improved methods of library and information services and the promotion of the development of cost-saving networks for the sharing of resources within communities and among local, State, and regional jurisdictions, with special emphasis on improvements which benefit handicapped, institutionalized, or economically disadvantaged groups.

The six positions in fiscal year 1976 necessary to support this proposed activity were transferred from "Public Libraries."

Program Data:

	1975	1976	Increase or Decrease
Appropriation	$ 15,000,000	$ 20,000,000	$ +5,000,000
Number of applications received	300	320	+20
Number of Grants made	96	102	+6
Number of projects supported	96	102	+6
Number of monitoring site visits	96	102	+6
Number of major program reports	1	1	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Phase Out Activities:			
College Library Resources	3	3	--
Training and Demonstration	5	5	--

There is no program money requested in either fiscal year 1975 or 1976 for these programs. The positions are necessary to complete program phase out.

	1975 Estimate	1976 Estimate	Increase or Decrease
Program Data: College Library Resources			
Appropriation.......................	$ ---	$ ---	$ ---
Number of monitoring site visits...	3	3	---
Number of major program reports....	1	1	---
Program Data: Training and Demonstration			
Appropriation.......................	$ ---	$ ---	$ ---
Number of monitoring site visits...	40	10	-30
Number of major program reports....	2	2	---

Bureau of Education for the Handicapped

1975 Estimate		1976 Estimate		Increase or Decrease	
Pos.	Amount	Pos.	Amount	Pos.	Amount
127	$3,737,500	135	$3,966,900	+8	+$ 229,000

Program Activities	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
State Assistance:			
State grant program.........	22	22	--
Deaf-blind centers..........	4	4	--
Severely handicapped projects..	4	4	--
Innovation and development:			
Early childhood education......	10	10	--
Specific learning disabilities.	3	3	--
Regional vocational, adult and postsecondary programs........	1	1	--
Research and demonstration.....	13	13	--
Media and resource services:			
Media services and captioned films.........................	9	9	--
Regional resource centers......	9	9	--
Recruitment and information....	1	1	--
Special education manpower development.....................	26	26	--
Innovative and experimental programs:			
Gifted and talented...........	--	8	+8
National Advisory Committee on the Handicapped..............	3	3	--
Program direction and coordination....................	22	22	--
	127	135	+8

General Statement

A total of 135 positions are requested for the Bureau of Education for the Handicapped, an increase of 8 positions over the fiscal year 1975 level. These programs relate to the education and training of, and services for the physically and mentally handicapped, including training of teachers of the handicapped and research in such education and training.

The Bureau of Education for the Handicapped establishes Federal education policies for education of handicapped children and coordinates the development and implementation of such policies with other agencies and institutions. It administers twelve different programs which include state grant programs, directs monies to deaf blind children and contracts and grants for research, media services, professional manpower preparation, early childhood education, learning disabilities, severely handicapped, regional resource centers and area learning resource programs. These programs require review of many proposals, monitoring of projects, preparation of summary reports and recommendations for advisory committees and technical assistance to those projects which are funded.

The Bureau works closely with the States in helping them to carry out their responsibilities toward the education of handicapped children. The Bureau has taken the role of using program funds and staff to act as a catalyst in developing the states' capacities to serve all children. Recent court orders and mandatory legislation in 48 of the 50 states has required the Bureau to act in close cooperation with States, providing technical assistance to them, monitoring discretionary and formula grants closely to provide the advocacy input necessary to carry out Office of Education's role. Responsibility for providing staff support to the National Advisory Committee on the Handicapped is included in the Bureau's activities.

Eight new positions are requested for fiscal year 1976.

A more detailed explanation of each program follows.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
State assistance:			
State grant programs	22	22	--

Grants are made to States to assist in the initiation, expansion, and improvement of programs and projects for education of handicapped children at the preschool, elementary, and secondary school levels.

No new positions are required for 1976.

Program Data:

Appropriation...............	$47,500,000	$50,000,000	+$2,500,000
Applications processed.....	108	108	--
Awards to be made..........	108	108	--
Site visits to be made....	275	350	+ 50
Major Program Reports......	2	2	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
State assistance: Deaf-blind centers	4	4	--

Contracts are awarded to 10 regional centers to provide, through a series of sub-contracts, diagnostic, educational, and related services to deaf-blind children and their families.

No new positions are required for 1976.

Program Data:

Appropriation..............	$12,000,000	$16,000,000	+$ 4,000,000
Applications processed.....	10	20	+ 10
Awards to be made..........	10	10	--
Site visits to be made.....	60	60	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
State assistance: Severely handicapped projects	4	4	--

Contracts are awarded to establish and expand programs and practices to meet the educational and training needs of severely handicapped children and youth, including deinstitutionalization programs.

No new positions are required for 1976.

Program Data:

Appropriation..............	$ 2,826,000	$ 3,250,000	+$ 424,000
Applications processed......	120	13	- 107
Awards to be made...........	16	21	+ 5
Site visits to be made......	20	30	+ 10
Major Program Reports.......	2	2	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Innovation and development: Early childhood education	10	10	--

Demonstrations are supported to provide educational, diagnostic, and consultative services for preschool handiaapped children and their parents. The projects are designed to stimulate and influence the development of additional services for pre-school handicapped children.

No new positions are required for 1976.

Program Data:

Appropriation..............	$13,330,000	$22,000,000	+$ 8,670,000
Applications processed.....	532	600	+ 68
Awards to be made..........	153	243	+ 90
Site visits to be made.....	200	220	+ 20
Major Program Reports......	2	2	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Innovation and Development: Specific learning disabilities	3	3	3

Grants and contracts are awarded to stimulate State and local provision of identification, diagnostic, prescriptive and educational services for learning disabled children through the funding of model programs, technical assistance, research and training activities.

No new positions are required for 1976.

Program Data:

Appropriation..............	$ 3,250,000	$ 4,250,000	+$1,000,000
Applications processed.....	75	45	- 30
Awards to be made..........	31	35	+ 4
Site visits to be made.....	40	50	+ 10
Major Program Reports......	2	2	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Innovation and development: Regional, vocational, adult and postsecondary programs	1	1	--

Contracts will be awarded to develop and operate regional centers for deaf and other handicapped persons in the area of vocational, technical, postsecondary or adult education, building on existing resources and facilities currently serving regional needs.

No new positions are required for 1976.

Program Data:

Appropriation..............	$ 575,000	$ 2,000,000	+$1,425,000	
Applications processed.....	--	12	+	12
Awards to be made..........	3	9	+	6
Site visits to be made.....	0	18	+	18
Major Program Reports......	2	2		--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Innovation and development: Research and demonstration	13	13	--

Grants and contracts are awarded for the development of new curricular materials, teaching techniques, and other research and demonstration projects, including those in the field of physical education and recreation research for handicapped children.

No new positions are required for 1976.

Program Data:

Appropriation..............	$9,341,000	$11,000,000	+$1,659,000	
Applications processed.....	472	472		--
Awards to be made..........	100	110	+	10
Site visits to be made.....	195	210	+	15

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Media and resource services: Media services and captioned films	9	9	--

Contracts and grants are made for the acquisition, captioning, production, and distribution of films and other educational media, and the training of persons in the use of such materials for the handicapped.

No new positions are required for 1976.

Program Data:

Appropriation..............	$13,000,000	$16,000,000	+$3,000,000
Applications processed.....	69	84	+ 15
Awards to be made..........	87	92	+ 15
Site Visits to be made.....	155	165	+ 10
Major Program Reports......	2	2	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Media and resource services: Regional resource centers	9	9	--

Contracts are awarded for the operation of 14 regional resource centers to develop and apply methods of appraisal and special educational programming practices for handicapped children.

No new positions are required for 1976.

Program Data:

Appropriation..............	$7,087,000	$ 9,750,000	+$2,663,000
Applications processed......	14	14	--
Awards to be made...........	14	14	--
Site visits made............	30	30	--
Major Program Reports.......	2	2	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Media and resource services: Recruitment and information			
	1	1	--

This program is designed to encourage people to enter the career field of special education and to provide information and referral services to parents of handicapped children. No new positions are required for 1976.

Program Data:

Appropriation................	$ 500,000	$1,000,000	+$500,000
Applications processed......	12	12	--
Awards to be made...........	3	13	+ 10
Site visits to be made......	25	25	--
Major Program Reports.......	2	2	--
Number of parents requesting information................	50,000	100,000	+ 50,000
Number of newsletters mailed to parents.................	150,000	200,000	+ 50,000

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Special education manpower development			
	26	26	--

Grants are awarded to support training of teachers, supervisors, speech correctionists, researchers, and other professionals and para professionals in fields related to the education of the handicapped in regular and special classrooms.

A special manpower analysis has been performed for this activity and is attached as part of special analysis A.

No new positions are required for 1976.

Program Data:

Appropriation..............	$37,700,000	$39,750,000	+$2,050,000
Applications processed......	832	1,075	+ 243
Awards to be made...........	566	600	+ 34
Site Visits to be made......	250	300	+ 50
Major Program Reports.......	2	2	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
Innovative and experimental programs: Gifted and talented children	--	8	+8

The Gifted and Talented Education program staff is responsible for planning, developing, and improving programs to meet the special educational needs of gifted and talented children at preschool, elementary school and secondary school levels. Program activities include training teachers and leadership personnel and supporting model projects. **The unit administers the gifted program under the Special Projects Act.**

Eight new positions are required for 1976.

Program Data:

Appropriation..............	$ --	$2,560,000	+$2,560,000
Applications processed.....	--	380	+ 380
Awards to be made..........	--	23	23
Site Visits to be made.....	--	70	+ 70
Major Program Reports......	--	2	+ 2

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease No. of Pos.
National Advisory Committee on the Handicapped	3	3	--

The National Advisory Committee on the Handicapped reviews the administration and operation of programs under the Education of the Handicapped Act. It also reviews the administration and operation of special institutions (National Technical Institute for the Deaf, Kendall Demonstration Elementary School, Model Secondary School for the Deaf, Gallaudet College, the National Center on Educational Media and Materials for the Handicapped) and advises the Secretary of HEW and the Commissioner of Education with respect to these programs and the formulation of new programs for the handicapped.

The Committee was created October 9, 1973 through merger of the National Advisory Committee on Education of the Deaf and the National Advisory Committee on Handicapped Children and has assumed the functions of those two groups.

Three employees provide logistical and liaison support. Their duties include making arrangements for hotel meeting rooms and conferences, travel, assisting with the compilation of annual reports which includes clearance and editing, answering public inquiry requests.

Bureau of Occupational and Adult Education

1975 Estimate Pos.	1975 Estimate Amount	1976 Estimate Pos.	1976 Estimate Amount	Increase or Decrease Pos.	Increase or Decrease Amount
133	$4,325,700	156	$4,505,400	+23	$+179,700

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Program Activities:			
Grants to States for Vocational Education..............................	32	--	-32
Vocational Research.....................	24	--	-24
Adult Education (AEA)..................	24	24	--
Education Personnel: Other Education Personnel Development (EPDA)	19	19	--
(1) Leadership Training............	--	(5)	+ 5
(2) Urban/Rural....................	(9)	(9)	--
(3) Career Opportunities...........	(8)	(4)	- 4
(4) Categorical Programs...........	(2)	(1)	- 1
Proposed Legislation..................	--	56	+56
Innovative and Experimental Programs:			
(1) Metric Projects.................	--	5	+ 5
(2) Community Schools................	--	9	+ 9
(3) Consumers Education..............	1	10	+ 9
Comprehensive Employment and Training Act Activities........................	5	5	--
Program Direction and Coordination.....	28	28	--
Total............................	133	156	+23

General Statement

A total of 156 positions are requested for administering the activities associated with the Bureau of Occupational and Adult Education in fiscal year 1976, an increase of 23 new positions over the fiscal year 1975 level. In addition to these new positions to support the innovative and experimental programs, a realignment of currently authorized positions is proposed to address new priorities.

The Bureau of Occupational and Adult Education administers programs of grants, contracts, and technical assistance for vocational and technical education, occupational education, adult education, education professions development, Comprehensive Employment and Training Act (CETA), and research and demonstration projects and activities. The bureau is responsible for (1) administering programs of financial support to institutions of higher education, States and local educational agencies, and other public and private non-profit organizations; and (2) developing policies, procedures, guidelines, objectives and plans for administering the above programs.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Grants to States for Vocational Education	32	--	-32

Support for this activity, previously authorized under the Vocational Education Act is not being requested in fiscal year 1976. The positions associated with this program in fiscal year 1975 have been transferred to "Grants to States for Vocational Programs and Services," (proposed legislation).

Program Data:

Appropriation	$495,167,000	$ 7,161,000	$-488,006,000
Grants to be made	56	--	-56
No. of state plans reviewed and approved	56	--	-56
No. of program monitoring site visits	140	--	-140
No. of state management, planning and evaluation visits	15	--	-15
No. of new construction activities monitored	350	--	-350
No. of visits to monitor placement and follow-up state procedures	10	--	-10
No. of workshops for planning and reporting conducted	10	--	-10
No. of workshops conducted for disadvantaged, handicapped, and work experience	5	--	[illegible]
No. of research, curriculum grants and contracts monitored	140	--	-140
No. of State Advisory Council workshops conducted	3	--	-3

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Vocational Research	24	--	-24

In fiscal year 1976, support for this activity, previously authorized under the Vocational Education Act is not being requested. The positions associated with this program in fiscal year 1975 have been transferred to "Grants to States for Vocational Programs and Services," (proposed legislation).

Program Data:

Appropriation	$ 35,000,000	$ ---	$- 35,000,000
No. of applications received	440	--	-440
No. of grants/contracts/awards made	138	--	-138
No. of projects supported	290	--	-290
No. of monitoring site visits	138	--	-138
No. of major program reports	20	--	-20
No. of final project reports and closeouts	120	--	+120

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Adult Education	24	24	--

The adult education program is directed toward more than 52,500,000 adults sixteen years of age and older who lack a 12th grade level of education, and who are not currently enrolled in schools. No new positions are requested in fiscal year 1976, and a special manpower analysis has been performed for this activity and is attached as part of special analysis A.

Program Data:

Appropriation........................	$ 63,319,000	$ 67,500,000	$+ 4,181,000
Coordination & Review of State Plans.	56	56	--
Coordination of awards to be made....	56	56	--
Projects site visits to be made......	50	56	+6
Major reports........................	1	1	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Education Personnel Development Activities	19	19	--

This activity includes teacher training programs concentrating on specific populations and subjects where teacher deficiencies are recognized. Although no new positions are requested for this activity, our fiscal year 1976 request proposes a redistribution of available positions, as indicated on the summary table, in order to provide for staffing of "Leadership Training" activities.

Program Data:

Appropriation......................	$ 8,139,000	$ 8,212,000	$+ 73,000
No. of applications received......	55	151	+96
Regional applications coordinated.	37	25	-12
No. of grants to be made..........	9	51	+42
No. of monitoring site visits.....	64	94	+30
No. of major reports..............	20	104	+84
No. of projects to closeout.......	152	215	+63

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Grants to States for Vocational Programs and Services (Proposed Legislation)	--	56	+56

The fiscal year 1976 budget request includes a provision to support vocational education legislation proposed for separate transmittal. The new legislation will be proposed requiring Federal funds to be used by States for innovative purposes. Positions to support this activity in fiscal year 1976 would be transferred from "Grants to States for Vocational Education," and "Vocational Research."

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Program Data:			
Appropriation......................	$ ---	$523,006,000	$+523,006,000
No. of applications to be received	--	1,796	+1,796
No. of grants/contracts/awards to be made..........................	--	594	+594
Regional Office management reviews	--	10	+10
No. of state program reviews......	--	20	+20
No. of state plans reviewed and approved..........................	--	56	+56
No. of state management, planning and evaluation visits...........	--	25	+25
No. of new construction activities monitored........................	--	350	+350
No. of visits to monitor placement and follow-up state procedures..	--	10	+10
No. of workshops conducted for planning and reporting..........	--	10	+10
No. of workshops conducted for disadvantaged, handicapped, and work experience..................	--	7	+7
No. of research, curriculum grants and contracts monitored.........	--	120	+120
No. of workshops conducted for State Advisory Councils.........	--	3	+3
No. of final project reports and closeouts........................	--	150	+150

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Metric Projects	--	5	+5

The purpose of these projects is to encourage and support activities in educational agencies and institutions and to prepare instructional materials to be used as aids to assist students and the general public in learning to use the metric system of measurement. Five new positions are requested to support this new activity in fiscal year 1976.

Program Data:

Appropriation......................	$ ---	$ 2,090,000	$+ 2,090,000
Awards to be made..................	--	64-73	+64-73
Major program reports.............	--	1	1

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Community Schools	--	9	+9

The community schools program will fund projects directed toward providing educational, recreational, cultural and other related community services in accordance with needs, interests, and concerns of the community. Services will be available to State and local educational agencies and institutions of higher learning. In addition to the community services described above, there will be some provisions for training persons to plan and operate community education programs. Nine new positions are requested to support this activity in fiscal year 1976.

Program Data:

Appropriation	$ ---	$ 3,553,000	$+ 3,553,000
Grants to local educational agencies	--	30-35	+30-35
Grants to state education agencies	--	30	+30
Grants to institutions of higher education	--	3-5	+3-5

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Consumer Education	1	10	+9

This program will fund projects at the elementary and secondary, postsecondary, and adult education levels to promote consumer education through research, demonstration, and pilot projects. The development of curricula, dissemination of information on curricula, and the conduction of inservice and preservice training will also be focused on by this program. Nine new positions are being requested to support this activity in fiscal year 1976.

Program Data:

Appropriation	$ ---	$ 3,135,000	$+ 3,135,000
Awards for assessments and synthesis of consumers' education programs in school systems	--	1-3	+1-3
Awards for regional technical assistance teams	--	4-6	+4-6
Awards for regional resource centers	--	10-12	+10-12
Grants for dissemination	--	2-5	+2-5
Contracts for evaluation	--	1-3	+1-3
Minigrants	--	220-230	+220-230

Bureau of Postsecondary Education

1975 Estimate Pos.	1975 Estimate Amount	1976 Estimate Pos.	1976 Estimate Amount	Increase or Decrease Pos.	Increase or Decrease Amount
376	$12,147,900	384	$12,463,300	+8	+$315,400

Program Activities	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Basic Opportunity Grants.........	62	62	--
Supplementary Opportunity Grants.	15	15	--
Work-Study......................	22	22	--
Direct Loans....................	31	31	--
Incentive Grants for State Scholarships...................	8	16	+8
Special Programs for the Disadvantaged.........................	22	22	--
Strengthening Developing Institutions.........................	40	40	--
Institutional Assistance -- Construction..................	16	16	--
International Education Activities	55	55	--
University Community Services....	3	3	--
Aid to Land-Grant Colleges.......	--	--	--
State Postsecondary Education Commissions....................	--	--	--
Cooperative Education............	10	10	--
College Teacher Fellowships......	3	3	--
Training for the Disadvantaged...	--	--	--
Ellender Fellowships.............	--	--	--
Education Personnel (Part E).....	3	3	--
Accreditation and Institutional Eligibility Staff.................	23	23	--
College and University Staff.....	4	4	--
Community College Staff..........	5	5	--
Program Direction and Coordination	54	54	--
Total.......................	376	384	+8

General Statement

A total of 384 positions are requested for the Bureau of Postsecondary Education, an increase of 8 positions over the fiscal year 1975 level. The Bureau is responsible for Federally supported postsecondary education programs for both students and institutions and also for international programs. The requested increase of 8 positions is for the expanded Incentive Grants for State Scholarships program. No positions are requested for four program areas: (1) Aid to Land-Grant Colleges, (2) State Postsecondary Education Commissions, (3) Training for the Disadvantaged, and (4) Ellender Fellowships. The reasons are (1) in the case of Aid to Land-Grant Colleges and State Postsecondary Education Commissions, a limited number of awards were made in fiscal year 1975 and no request for this program is included in the fiscal year 1976 budget; and (2) in the case of the Training for the Disadvantaged, and the Ellender Fellowships programs, a single grant or contract is made to a non-profit institution which performs most of the administration functions associated with the program.

Major objectives of this bureau include:

- Concentrating resources on the Basic Opportunity Grants program and phasing out the Supplementary Opportunity Grants program.

- Ensuring that the Federal capital contributions made under the Direct Loans program in previous years provide the intended funding base for loans to individuals and students.

- Improving the administration of and expanding the Incentive Grants for State Scholarships programs.

- Performing an orderly and timely phase out of the University Community Services program and the Educational Personnel (Part E) program.

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Grants and Work-Study:			
Basic Opportunity grants			
	62	62	--

The Basic Opportunity Grants program administers the award of postsecondary education assistance grants to full and part-time students in some 5,500 postsecondary educational institutions including vocational and technical schools. The grant application and award process involves a needs analysis system approved each year by the Congress.

No new positions are requested for fiscal year 1976.

Program Data:

Appropriation..........................	$660,000,000	$1,050,000,000	$+390,000,000
Agreements with institutions processed.	5,500	7,000	+ 1,500
Program progress reports reviewed......	22,000	28,000	+ 6,000
Contract proposals reviewed and awarded	50	60	+ 10
Site visits made.......................	160	240	+ 80
Program inquiries answered.............	52,000	55,000	+ 3,000
Position papers and publications written	10	10	--
Major reports made.....................	10	15	+ 5

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Grants and Work-Study: Supplementary opportunity grants			
	15	15	--

The Supplementary Opportunity Grants program awards grants to institutions of postsecondary education on the basis of requests reviewed and approved by regional panels. This is a forward funded program for which no funds are requested in fiscal year 1976. Manpower in fiscal year 1976 will be directed toward administering the forward funded projects and phasing out this program.

No new positions are requested for fiscal year 1976.

Program Data:

	Academic Year 1974 - 1975 1/	**Academic Year 1975-1976 2/**	
Appropriation...........................	$210,300,000	$240,300,000	$- 30,000,000
Applications processed.................	3,350	3,600	+ 250
Awards made.............................	3,250	3,460	+ 210
Fiscal reports reviewed................	3,200	3,410	+ 210
Site visits made........................	25	30	+ 5
Audits conducted........................	1,000	1,400	+ 400

1/ FY 1974 Appropriation
2/ FY 1975 Appropriation

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Grants and Work-Study: Work-study			
	22	22	--

The Work-Study program awards grants to postsecondary institutions which in turn provide work and compensation to students so that they may earn a part of the cost of their postsecondary education. A statutory formula determines the distribution of most of the funds among the States and territories. The remaining funds are distributed in accordance with criteria established by the Commissioner which are intended to direct funds to areas of greatest need.

No new positions are requested for fiscal year 1976.

Program Data:

Appropriation...........................	$300,200,000	$250,000,000	$-50,200,000
Applications processed................	3,250	3,500	+ 250
Awards made............................	3,150	3,400	+ 250
Fiscal reports reviewed...............	3,100	3,350	+ 250
Site visits made.......................	25	30	+ 5
Audits conducted.......................	1,000	1,400	+ 400

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Direct Loans: Teacher Cancellations	31	31	--

The Direct Loans program provides long-term, low-interest loans to financially needy students in institutions of postsecondary education to enable them to pursue their course of study at such institutions. All or a portion of the loans to a student may be cancelled in consideration of subsequent service in certain kinds of teaching or subsequent military service in a combat zone. Administration of this program involves a complex loans application review, award, and monitoring process. The capital contributions portion of this program accounts for the large decrease in appropriation but does not significantly reduce the amount of work to be performed under this program since the program is forward funded. In fiscal year 1976 2,000 institutions with revolving fund accounts must be monitored. The teacher cancellation portion of the appropriation, which requires many manhours, has in fact gone up in fiscal year 1976 by $2,520,000 to $8,960,000.

Program Data:

Appropriation...........................	$329,440,000	$8,960,000	$-320,480,000
Student loans...........................	728,000	328,000	- 400,000
Student cancellations..................	300,000	350,000	+ 50,000

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Incentive Grants for State Scholarships	8	16	+8

The Incentive Grants for State Scholarship provides dollar for dollar matching funds to the States to encourage them to increase their scholarship programs. States must continue to spend in excess of previously established base levels of effort to qualify for Federal incentive funds. Program staff allocate funds to the States on a formula basis, ensure that States continue to qualify for funds based on regulations developed by the Office of Education, and monitor the overall effectiveness of the program.

Eight new positions are requested in fiscal year 1976 for administering this expanded program.

Program Data:

Appropriation..........................	$20,000,000	$44,000,000	$+24,000,000
Applications processed..................	56	56	--
Continuing State agency awards..........	41	50	+ 9
New State agency awards.................	13	6	- 7
Total awards made.......................	54	56	+ 2
Performance reports reviewed............	108	112	+ 4
Workshops conducted.....................	6	6	--
Major reports made......................	4	4	--
Position papers prepared................	12	12	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Special Programs for the Disadvantaged Special Services in College, Upward Bound, and Educational Opportunity Grants	22	22	--

This discretionary grants award program encourages and assists financially and culturally needy youth or those who are physically handicapped to seek and succeed in postsecondary education. Eligible grantees include institutions of higher education, combinations of such institutions, public and private agencies, organizations (including professional and scholarly associations), and in exceptional cases, secondary schools, including secondary vocational schools. Funding selections are made by the regional staff and approved by the Regional Director.

No new positions are requested for fiscal year 1976.

Program Data:

Appropriation..........................	$70,331,000	$70,331,000	$ ---
Awards to be made......................	879	867	-12
Number of new awards made..............	106	94	-12
Number of non competing-continuing awards processed......................	668	668	--
Number of competing continuing awards made................................	105	105	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Strengthening Developing Institutions			
	40	40	--

The Strengthening Developing Institutions program consists of a basic and an advanced program. The basic program provides annual grant awards to institutions of higher education to strengthen the academic quality of developing institutions. This program is forward funded. The average award in fiscal year 1976 will be larger than in fiscal year 1975 in an effort to develop comprehensive planning capabilities to facilitate transition to the advanced program.

The advanced program provides multi-year (3-5) grant awards to institutions of higher education to promote innovative projects and special purpose programs, to assist the attainment of financial self-sufficiency, and to accelerate development among relatively highly developed colleges.

Program Data:

Appropriation	$110,000,000	$110,000,000	$ ---
Applications to be processed	756	756	---
Awards to be made	237	186	-51

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Institutional Assistance: Construction			
	16	16	--

The Construction program provides annual interest subsidy grants to help institutions of postsecondary education utilize private capital for construction. Although there were no new grant awards in fiscal years 1974 or 1975 and there will be none in fiscal year 1976, there is obligational authority and the need to monitor continuing projects, obligate funds and process payments.

No new positions are requested for fiscal year 1976.

Program Data:

Obligation	($20,000,000)	($23,000,000)	($+3,000,000)
Number of prior year loans	723	723	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
International Education Activities			
	55	55	--

The three International Education Activities administered by this bureau are: (1) Centers, Fellowships and Research; (2) Fulbright-Hays Fellowships; and (3) Grants to American Institutions.

The Centers, Fellowships and Research program awards grants and/or contracts to help American institutions of higher education strengthen the academic base for teaching and research in modern foreign languages, area studies and world affairs. Applications and proposals are reviewed for award in support of centers, exemplary projects, fellowships, and research. Monitoring and technical assistance is also performed. In fiscal year 1975, an estimated 142 projects and 604 fellowships are to be supported; in fiscal year 1976, 142 projects and 600 fellowships.

The Fulbright-Hays Fellowship program administers and coordinates the application and award of fellowships and grants for faculty and doctoral dissertation research, group projects for research, training and curriculum development and curriculum consultant services of foreign educators. Awards are made to recipients with the advice of a panel of specialists, selections are subject to review and final approval by the Board of Foreign Scholarships. In fiscal year 1975, an estimated 132 fellowships are to be awarded; in fiscal year 1976, 126.

Grants to American Institutions provides funds to United States institutions of higher education, individual researchers, State and local education agencies, and non-profit educational organizations. A panel of outside consultants recommends approval of applications. In fiscal year 1976, an estimated 69 projects will be awarded. This is 18 more projects than in fiscal year 1975.

No new positions are requested in fiscal year 1976.

Program Data: Centers, Fellowships and Research

Appropriation	$ 8,640,000	$ 8,640,000	$ ---
Awards to be made	142	142	
Fellowship Awards	604	600	-4

Program Data: Fulbright-Hays Fellowships

Appropriation	$ 1,360,000	$ 1,360,000	$ ---
Fellowship Awards	132	126	- 6
Group Awards	10	5	- 5
Total Awards	142	131	-11
Group project abroad participants	270	150	-120

Program Data: Grants to American Institutions

Appropriation..............................	$ 1,000,000	$ 2,000,000	$+1,000,000
Number of projects..........................	51	69	+18

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
University Community Services			
	3	3	--

The University Community Services program provided grants, both State formula and discretionary, to postsecondary institutions. A small staff will continue to lend technical assistance to States and complete the phase-out of this program.

No new positions are requested in fiscal year 1976.

Program Data:

Appropriation..............................	$ 900,000	--	$ -900,000
Applications processed and awards made....	56	56	--
Institutions served..........................	570	340	- 230
Projects monitored.........................	500	300	- 200
Discretionary awards made..................	11	11	--
Site visits made...........................	31	31	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Aid to Land-Grant Colleges: Permanent Appropriation	--	--	--

Grants of $50,000 are awarded to support postsecondary instructions in agriculture, the mechanic arts, the English language, and various branches of the sciences. Awards are made to each State, the District of Columbia, Puerto Rico, Guam and the Virgin Islands. The administrative functions necessary to operate this relatively simple program do not require full position allocations for operation in fiscal year 1975 or close out in fiscal year 1976.

Program Data:

Appropriation..........................	$2,700,000	--	$-2,700,000
Awards to be made......................	54	--	- 54

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Institutional Assistance: State Postsecondary Education Commissions			
	--	--	--

A limited number of awards were made in fiscal year 1975 and no request for positions is included in the fiscal year 1976 budget.

Program Data:

Appropriation	$ 800,000	--	$ -800,000

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Institutional Assistance: Cooperative Education			
	10	10	--

Under the Cooperative Education Program, research and training grants or contracts are awarded to institutions of higher education or combinations of such institutions or other non-profit organizations. The program staff will concentrate on the rendering technical assistance, monitoring, and ensuring satisfactory completion of projects.

No new positions are requested in fiscal year 1976.

Program Data:

Appropriation	$ 10,750,000	$ 8,000,000	$ -2,750,000
New Awards made	75	100	+ 25
Competing Continuing Awards	275	130	- 145

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Personnel Development: College Teacher Fellowships			
	3	3	--

The College Teacher Fellowship program provides funds to institutions of higher education for stipends to individuals and cost-of-education allowances to institutions. This program will provide funds for veterans who were fellows and are now resuming study.

No new positions are requested for fiscal year 1976.

Program Data:

Appropriation..............................	$ 4,000,000	$ 1,000,000	$ -3,000,000
Number of Returned Fellows Supported..	610	150	-460
Number of Institutions Receiving Awards..................................	150	125	- 25

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Personnel Development: Training for the Disadvantaged			
	--	--	--

The Training for the Disadvantaged program provides non-competitive project grants or contracts to the Council on Legal Education Opportunity. The program is forward funded; no matching funds are required. The program provides training in the legal professions to persons from disadvantaged backgrounds. A single grant or contract is made to the Council which performs most of the administrative functions associated with the program and, therefore, no positions are requested for this program.

No positions are requested in fiscal year 1976.

Program Data:

Appropriation..............................	$ 750,000	$ 750,000	--
Number of New Trainees..................	266	180	-86
Number of Continuing Trainees..........	348	364	+16

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Personnel Development: Ellender Fellowships	--	--	--

The Ellender Fellowship program provides a non-competitive grant to the Close Up Foundation of Washington, D. C. to help the Foundation carry out its program of increasing the understanding of the federal government among secondary school students, their teachers, and the communities they represent.

No positions are requested for fiscal year 1976.

Program Data:

Appropriation	$ 500,000	$ 500,000	--
Fellowships Awarded	1,500	1,500	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Education Personnel: Higher Education (Part E)	3	3	--

Part E of the Higher Education Act of 1965 provides for grants and contracts with colleges and universities for the purpose of training present or prospective college teachers, administrators and educational specialists. Administrative close-out of this program will require three positions in fiscal year 1976; no new positions are requested.

Program Data:

Appropriation	$ --	$ --	$ --
Continuing projects	185	--	-185
Reports reviewed	100	85	- 15
Site visits made	15	10	- 5
Projects closed out	100	85	- 15

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Accreditation and Institutional Eligibility Staff			
	23	23	--

This staff conducts institutional accreditation eligibility reviews, develops responsible assurances of accreditation procedures for eligibility purposes and for the new authority to limit, suspend, and terminate institutional eligibility under carefully administered procedures. A major effort in fiscal year 1976 will be to strengthen the accreditation process, particularly in the proprietary school area.

No new positions are requested in fiscal year 1976.

Workload Data:

Institutions reviewed for eligibility purposes	11,023	12,400	+1,377
Institutions reviewed for satisfactory assurance of accreditation	30	70	+40
Coordination and review of accrediting and State approving agencies	95	120	+25
Eligibility terminations	350	275	-75
Professional meetings and meetings with advisory councils and officials of accreditting and State approving agencies	120	175	+55
Institutional on-site reviews	40	105	+65

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
College and University Staff			
	4	4	--

The College and University staff is responsible for coordinating programs administered by the Bureau of Postsecondary Education which affect or benefit colleges and universities and for serving as liaison with other programs within the Office and with other government agencies. It serves as a focal point for liaison with colleges and universities.

Workload Data:

Office of Education liaison meetings with government and non-government agencies	70	70	--
Conferences held and/or attended	55	55	--
Major written documents developed and/or reviewed	1,200	1,200	--
Survey of Howard University	1	1	--

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Community College Staff			
	5	5	--

The Community College staff is responsible for coordinating all programs administered by the Bureau of Postsecondary Education which affect, or can benefit community colleges. The staff coordinates with other government college programs and activities and serves as a focal point for liaison with community colleges.

Workload Data:

Office of Education liaison meetings with government and non-government agencies..............................	50	50	--
Conferences held and/or attended....	33	33	--
Major written documents developed and/or reviewed.....................	600	1,000	+400

OFFICE OF EDUCATION

Zero-based Manpower Budget Justification for Programs, Projects and Services

The Office of Education is implementing an agency-wide manpower utilization data support system to assist in position justification and control.

The major components of the manpower support system are (1) provisional standard time work-unit indicators, (2) projected work-counts for FY 75 and FY 76, (3) projected staffing requirements by organizational unit and function.

Standard time work-count indicators are independent numeric variables based on FY 74 actual manpower used in man-days for one output. These indicators are mathematically derived from data collected from USOE managers. Programs, project and service managers estimated actual work-time allocated to functions for which managers were directly accountable in FY 74. In addition, actual work-counts or the number of work units accomplished in FY 74 were collected from managers. For each major organizational function a formula is used to determine the standard time indicator:

$$\frac{\text{WORK-TIME IN MAN-DAYS}}{\text{NUMBER OF WORK-COUNTS}} = \text{STANDARD TIME WORK-UNIT INDICATOR IN MAN-DAYS;}$$

or,

$$\frac{\text{INPUT}}{\text{OUTPUT}} = \text{STANDARD UNIT OF COST INDICATOR}$$

OE managers also estimated future output or work-counts for FY 75 and FY 76. Estimates were based on administrative experience and anticipated legislative requirements. Projected work-counts are, consequently, dependent variables subject to changes in authorizing legislation, appropriation levels and administrative needs and experience.

Man-years of effort are projected based on the formula:

STANDARD TIME WORK-UNIT INDICATOR X PROJECT WORK-COUNT = PROJECTED WORKLOAD IN MAN-DAYS

or,

UNIT OF COST X PROJECTED OUTPUT = PROJECTED INPUT IN MAN-DAYS

Man-days are converted to man-years by dividing the projected man-days workload by 212.5 man-days (17,000 man-hours) which is closely equivalent to a productive man-year in USOE after subtracting holidays, average sick-leave days, average annual leave days per employee.

This is the first time that this system has been used in the Office of Education. Forecasts will be checked against actual manpower expended during the next year (FY 76) to determine the reliability and validity of data. This will assist in refining the system and providing the Office of Education with an important and effective tool for justifying manpower requests and improving manpower utilization.

Programs included in this justification are:

- Right to Read Program
- Teacher Corps Program
- Contracts and Grants Support Services
- Special Education Manpower Development Program
- Adult Education Program
- Follow-Through Program

TEACHER CORPS

Functions with Workload Indicator	Man-days Required for each Work Unit	Estimated Work Units		Estimated Man-days Required	
		FY 75	FY 76	FY 75	FY 76
Policy Making and Planning (level of effort)	850.00	1	1	850	850
Initiation of Grants (applications)	3.63	251	322	912	1170
Grant Maintenance (awards)	1.47	380	387	559	569
Project Review (site visits)	6.33	275	387	1742	2450
Program Review (level of effort)	637.50	1	1	638	638
Data Analysis and Dissemination (reports)	531.25	1	1	531	531
Indirect Professional Activities (% of direct activities)	6.48%	5232	6208	339	402
Secretarial and Clerical (% of professional activities)	23.96%	5571	6610	1335	1584
Total Man-days				6906	8194
Total Man-years				33	39
FY 76 Positions Requested					37

RIGHT TO READ

Functions with Workload Indicator	Man-days Required for each Work Unit	Estimated Work Units		Estimated Man-days Required	
		FY 75	FY 76	FY 75	FY 76
Policy Making and Planning (level of effort)	403.75	1	1	404	404
Initiation of Grants (applications)	2.21	297	310	656	685
Grant Maintenance (awards)	1.76	207	114	364	201
Project Review (site visits)	7.91	150	175	1187	1384
Program Review (level of effort)	403.75	1	1	404	404
Data Analysis and Dissemination (reports)	148.[illegible]5	1	1	149	149
Indirect Professional Activities (% of direct activities)	19.73%	3164	3227	624	637
Secretarial and Clerical (% of professional activities)	39.77%	3798	3864	1507	1537
Total Man-days				5295	5401
Total Man-years				25	26
FY 76 Positions Requested					26

CONTRACTS AND GRANTS SUPPORT SERVICES

Functions with Workload Indicator	Man-days Required for each Work Unit	Estimated Work Units		Estimated Man-days Required	
		FY 75	FY 76	FY 75	FY 76
Direction and Control (level of effort)...	744.3	1	1.3	744	968
Policy, Procedures and Planning (level of effort)...............	638.0	1	1.3	638	829
Negotiation and Administration of Contracts (contracts negotiated and modified)................................	0.6	3847	4000	2308	2400
Pre Award & Negotiation of Grants (grants negotiated)..............	0.5	10,094	10,497	5047	5248
Administration of Grants (grant revisions made)......................................	0.4	7210	7210	2884	2884
Grant Close-Outs (close-outs)............	0.2	10,000	10,000	2000	2000
Property Management (property counts).....	0.6	1000	1000	600	600
Scheduling (program schedules)............	3.3	120	120	396	396
Application Receipt & Control (applications)..................	0.05	25,000	26,000	1250	1300
Forms Clearance (level of effort).........	425	1	1	425	425
Cost & Price Analysis (reports issued)....	4.3	97	100	417	430
Information Control (corresponsence answered)................................	.5	465	465	232	232
Indirect Activities (percentage of direct activities)............................	5.0%	16,941	17,717	847	886
Secretarial and Clerical (percentage of professional activities).................	40.0%	17,788	18,598	7115	7439

	FY 75	FY 76
Total Man-days..	24,903	26,037
Total Man-years..	117	123
FY 76 Positions Requested..		116

FOLLOW THROUGH

Functions with Workload Indicator	Man-days Required for each Work Unit	Estimated Work Units *		Estimated Man-days Required	
		FY 75	FY 76	FY 75	FY 76
Policy Making and Planning (level of effort)......................	584.38	1	1	584	584
Initiation of Grants (applications)........................	4.99	220	220	1099	1099
Grant Maintenance (awards)................................	1.37	169	169	232	232
Project Review (site visits)..........................	10.00	90	128	900	1280
Program Review (level of effort).....................	127.50	1	1	128	128
Data Analysis and Dissemination (reports)............................	21.25	1	1	21	21
Indirect Professional Activities (% of direct activities)..............	13.71%	2964	3344	406	458
Secretarial and Clerical (% of professional activities)........	41.18%	3370	3802	1388	1566
Total Man-days..				4758	5368
Total Man-years..				22	25
FY 76 Positions Requested..					25

SPECIAL EDUCATION MANPOWER DEVELOPMENT
(Handicapped)

Functions with Workload Indicator	Man-days Required for each Work Unit	Estimated Work Units		Estimated Man-days Required	
		FY 75	FY 76	FY 75	FY 76
Policy Making and Planning (level of effort)	701.25	1	1	701	701
Initiation of Grants (applications)	.96	832	1075	798	1028
Grant Maintenance (awards)	.75	566	600	425	450
Project Review (site visits)	5.00	250	300	1250	1500
Program Review (level of effort)	425.00	1	1	425	425
Data Analysis and Dissemination (reports)	63.75	2	2	128	128
Indirect Professional Activities (% of direct activities)	9.0%	3727	4232	335	381
Secretarial and Clerical (% of professional activities)	31.0	4062	4613	1259	1430
Total Man-days				5321	6043
Total Man-years				25	28
FY 76 Positions Requested					26

ADULT EDUCATION

Functions with Workload Indicator	Man-days Required for each Work Unit	Estimated Work Units		Estimated Man-days Required	
		FY 75	FY 76	FY 75	FY 76
Overhead & Supervision (percentage of direct activities)	11.0%	3305	3365	364	370
Policy-making and direction (level of effort)	111.0	1	1	111	111
Future Fiscal Year Planning (level of effort)	294.0	1	1	294	294
Programming for Expanding General Adult Education (level of effort)	370.0	1	1	370	370
Technical Assistance (level of effort)	325.0	1	1	325	325
Data Collection & Analysis (reports)	106.3	1	1	106	106
Initiation of Grants (state plans)	.8	56	56	45	45
Grants Maintenance (awards)	.8	56	56	45	45
Program Review (level of effort)	212.5	1	1	213	213
Project Review (site visits)	10.0	50	56	500	560
Advisory Council (State Councils)	1.9	56	56	106	106
National Clearinghouse (level of effort)	1020.0	1	1	1020	1020
Community School Coordination (level of effort)	170.0	1	1	170	170
Secretarial & Clerical (percentage of professional activities)	40.0%	3669	3735	1467	1494

Total Man-days 5136 5229

Man-years 24 25

Positions Requested 24

GUARANTEED STUDENT LOAN PROGRAM

	1975 Estimate No. of Pos.	1976 Estimate No. of Pos.	Increase or Decrease
Guaranteed Student Loan Program....	424	541	+117

Narrative

Mission:

The mission of the Office of Guaranteed Student Loans is to facilitate the making of loans enabling eligible students to borrow in order to finance their postsecondary education.

Management Objectives:

A major management goal of the Office of Education for fiscal year 1976 is to continue to strengthen the administration of the Guaranteed Student Loan Program (GSLP). Specific objectives include:

--implementing a fully developed claims examination function in the Regional Offices.

--improving collections of defaulted loans to minimize the loss to the Federal Government.

--developing a technique for improved interest billings verification.

--utilizing an estimation model to facilitate program planning and budgeting.

--utilizing the Manpower Management System to improve budget accuracy and to evaluate program performance.

--revising and publishing stringent program regulations.

--issuing up-dated program manuals for lenders and eligible institutions.

--providing continuous training programs for Regional personnel: field examiners, claims examiners, collectors and collector correspondents.

--developing and implementing a strategy for communications between the Guaranteed Student Loan Program and lenders, schools, the public and the media as well as for internal Office of Education, Regional Offices and guarantee agencies use.

--increasing the number and quality of the program reviews of participating lenders and eligible institutions to effect better care and diligence in the making of loans to reduce potential defaults.

--conducting annual program and due diligence reviews of guarantee agencies.

--designing a sophisticated and improved computer system to assure financial accountability, a quality data base and sound long-range management and administration of the program.

Workload Data and Resource Requirements:

In developing the estimates for additional resources required in fiscal year 1976, every effort has been made to relate personpower requirements to specific management objectives and to workload data. The following tables present the allocation of the Guaranteed Student Loan Program resources using fiscal year 1975 as a base and showing required increases for fiscal year 1976 based on workload projections. The first allocates both Regional and Central Office personnel by functional assignments; the secound presents a breakdown of the gross Regional allocation by individual Regional Offices.

GUARANTEED STUDENT LOAN PROGRAM

Allocation of Regional and Central Office Personnel

	1975 Base	1976 Estimate	Increase
Regional Offices			
Program Management	19	20	+ 1
Program Compliance	62	123	+ 61
Field Examiners	(40)	(73)	(+ 33)
Claims Examiners	(9)	(24)	(+ 15)
Clerical	(13)	(26)	(+ 13)
Collections	182	222	+ 40
Collectors	(135)	(135)	--
Collector Correspondents	---	(37)	(+ 37)
Clerical	(47)	(50)	(+ 3)
Student Loan Servicing Center	2	2	---
SUBTOTAL Regional Offices	265	367	+102
Central Office			
Office of the Associate Commissioner	4	4	---
Field Support Staff	6	7	+ 1
Executive Office/Program Control Staff	15	16	+ 1
Program Development	22	25	+ 3
Operational Support	69	75	+ 6
Program Systems	36	40	+ 4
Compliance Staff	7	7	---
SUBTOTAL Central Office	159	174	+ 15
TOTAL REGIONAL AND CENTRAL OFFICES	424	541	+117

GUARANTEED STUDENT LOAN PROGRAM

Allocation of Regional Personnel by Region with Functional Assignments

REGION				PROGRAM COMPLIANCE FUNCTIONS									COLLECTION FUNCTIONS									STUDENT LOAN SERVICING CENTER			TOTAL		
	PROGRAM MANAGEMENT			FIELD EXAMINERS			CLAIMS EXAMINERS			CLERICAL			COLLECTORS			COLLECTOR CORRESPOND.			CLERICAL								
	75	76	+	75	76	+	75	76	+	75	76	+	75	76	+	75	76	+	75	76	+	75	76	+	75	76	+
I-Boston	2	2	-	2	6	4	-	1	1	1	2	1	3	3	-	-	-	-	1	1	-	-	-	-	9	15	6
II-NewYork	2	2	-	3	5	2	-	1	1	1	2	1	7	7	-	-	2	2	3	3	-	-	-	-	16	22	6
III-Phil.	1	2	1	3	8	5	-	1	1	2	3	1	5	5	-	-	1	1	2	2	-	-	-	-	13	22	9
IV-Atlanta	2	2	-	5	10	5	1	2	1	1	3	2	15	15	-	-	4	4	5	5	-	-	-	-	29	41	12
V-Chicago	2	2	-	5	12	7	1	4	3	2	4	2	12	12	-	-	3	3	5	5	-	-	-	-	27	42	15
VI-Dallas	2	2	-	4	7	3	2	5	3	1	3	2	31	31	-	-	9	9	11	12	1	-	-	-	51	69	18
VII-KC	2	2	-	4	7	3	-	1	1	1	2	1	4	4	-	-	1	1	2	2	-	2	2	-	15	21	6
VIII-Denver	2	2	-	4	5	1	1	2	1	1	2	1	9	9	-	-	2	2	3	3	-	-	-	-	20	25	5
IX-SFran.	2	2	-	8	10	2	3	6	3	2	4	2	44	44	-	-	13	13	13	15	2	-	-	-	72	94	22
X-Seattle	2	2	-	2	3	1	1	1	-	1	1	-	5	5	-	-	2	2	2	2	-	-	-	-	13	16	3
TOTAL	19	20	1	40	73	33	9	24	15	13	26	13	135	135	-	-	37	37	47	50	3	[illegible]	2	-	265	367	102

REGIONAL OFFICE ANALYSIS

Program Compliance -- Field Examination

	1975 Base	1976 Estimate	Increase
Field Examiners	40	73	33
Person Years	32.6	65.0[1]	32.4

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[1] All person year estimates throughout this justification allow for a one quarter lapse in available time due to the processing time required to fill the requested positions. The formula used in calculating the estimate is (fiscal year 1975 positions @ 100%) + (fiscal year 1976 positions @ 75%) = total available person years for fiscal year 1976.

Each lender participating in the Guaranteed Student Loan Program is required to exercise reasonable care and diligence in the making, servicing, and collecting of guaranteed loans. State and private nonprofit agencies, in order to qualify for Federal reinsurance, must establish such administrative and fiscal procedures as may be necessary to protect the United States from the risk of unreasonable loss, and to assure that due diligence will be exercised in the collection of loans insured under the program.

To the extent that all lenders and agencies adhere to the "due diligence" concept, the volume of loans in default can be held to a minimum. The objectives and activities described below are all directed toward assisting lenders and agencies in carrying out their responsibilities under this phase of the program. The 33 additional people requested will:

--conduct follow-up examinations and reviews on commercial lenders and schools which had significant due diligence and compliance problems when visited previously.

--conduct follow-up examinations and reviews of commercial lenders, schools and Guarantee Agencies which were audited in the previous fiscal year by the Department of Health, Education, and Welfare Audit Agency to insure that the institutions are complying with audit recommendations.

--conduct the above procedure with respect to General Accounting Office audits.

--conduct examinations and reviews on a timely basis of lenders, schools or borrowers when a question of alleged fraud or forgery has been made.

--create a viable working relationship between the field and claims examiners to enhance the care and diligence of the lenders in the making, servicing and collecting of loans.

Background and Workload Data

In the past, insufficient manpower has been available to effectively monitor program participants. This has resulted in an abuse and misrepresentation of the program to the borrower market. The first step to the rectification of this situation will be the publication of the newly revised and more stringent program regulations in February 1975; but without adequate manpower to enforce them, this action will be fruitless.

Presently, there are over 19,000 commercial lenders, 169 active school lenders, 8,400 eligible schools and 27 State Agencies participating in the program, producing a universe totaling over 25,000 institutions to be monitored by the field examiners. As established by the Manpower Management System and reinforced by experience, one field examiner can conduct 72 examinations per year. With the personpower available in fiscal year 1975, 2,346 (72x32.6) examinations will be performed, assuming no restrictions on travel. This leaves a large portion of the existing universe unmonitored and at a continued rate of 2,880 (72 x 40) examinations per year, it would take approximately nine years to visit all the participants at least once. The additional 33 positions would increase the examination potential by 1,800 (72 X 25) 1/ examinations in fiscal year 1976 and by 2,646 (72 x 33) examinations in the following years. Thus with a full-time staff of 73 field examiners, 5,256 (72 x 73) examinations could be conducted each fiscal year, making it possible to meet the management objectives listed previously and reducing the amount of time to reach each participant at least once five years.

The following table presents a breakdown of the examinations conducted by type of participant.

OFFICE OF GUARANTEED STUDENT LOANS
WORKLOAD DATA FOR PROGRAM EXAMINATION ACTIVITY
FISCAL YEARS 1974-1976

	Universe	Actual FY 1974	Estimate FY 1975	Estimate FY 1976
A. Number of field examiner positions	n/a	25.0	40.0	73.0
B. Number of field examiner person years	n/a	11.1	32.6	65.0
C. Number of examinations and reviews each examiner can complete in one year	n/a	72.0	72.0	72.0
D. Total number of examinations and reviews processed (A times B)	n/a	800.0	2,346.0	4,680.0
1. Number of school lenders	(169)	(54)	(169)	(169)
2. Number of Guarantee State Agencies	(26)	(13)	(26)	(26)
3. Number of high default lenders and/or lenders with portfolios of more than 500 loans	(1,653)	(137)	(1,507)	(165)
4. Number of State Lenders	(9)	(6)	(9)	(9)
5. Number of schools	(7,600)	(20)	(216)	(899)
6 Number of all other lenders	(13,778)	(570)	(419)	(3,412)
7. Total number of participants available for examination/review	23,235	n/a	n/a	n/a

Program Compliance -- Claims Examination

	1975 Base	1976 Estimate	Increase
Claims Examiners	9	24	15
Person Years	7.9	21	13.1

The Guaranteed Student Loan Program states that if a lender exercises reasonable care and diligence in the making and collecting of a loan, and the borrower ultimately defaults, becomes bankrupt, dies or becomes totally disabled, the lender may then file a claim for 100 percent of the principal and interest under the Federal program and for 80 percent of the unpaid principal under the Reinsurance program. The 15 additional people will:

--activate an efficient claims examination process in each Regional Office to encourage and sustain lender participation in the program and to protect the Federal government from payment of claims which do not reflect use of care and diligence on the part of the lender.

--create a viable relationship with the field examiners to enhance the care and diligence of the lenders in the making, servicing, and collecting of loans.

Background and Workload Data

Prior to fiscal year 1975 and because of limited resources, the claims examination function was performed in the Central Office. This function was activated in the Regional Offices in fiscal year 1975 when 8 positions from the fiscal year 1974 regular appropriation and 1 position from the fiscal year 1974 supplemental appropriation were designated as Regional claims examiners. It was scheduled that 9 of the Regional Offices would initiate this function at the beginning of the second quarter in 1975; in reality only 4 met this goal. An additional 3 Regions began processing claims in December; with the remaining 2 Regions not scheduled to begin until the third quarter. Even though all claims personnel have been hired, scheduled training programs have had to be either postponed or substituted with less extensive programs because of limitations placed on travel and training funds.

The Manpower Management System established the preferred workload per examiner at 7,040 claims per year. This rate assures the proper review of each claim and avoids the problem of post audit. Due to the nature of the function and to fulfill the management objectives, all claims must be reviewed and paid during the year in which they are filed. This requirement has the effect of reducing the quality of the output if the manpower is not sufficient to handle the inflow of claims.

During fiscal year 1975, an estimated 136,800 claims will be filed in the Regional Offices. At the optimum rate of 7,040 claims per examiner, 19 examiners would be required to process this workflow. Only 7.9 person years will be available for the claims function in fiscal year 1975, as is reported in the following workload table; therefore, each examiner will have to process 17,316 claims The additional positions in fiscal year 1976 would reduce this effective rate to 6,905 claims per examiner based on the estimated receipt of claims.

[redacted]

OFFICE OF GUARANTEED STUDENT LOANS
WORKLOAD DATA FOR CLAIMS REVIEW ACTIVITY
FISCAL YEARS 1975 - 1976

	FY 1975 Estimate	FY 1976 Estimate
A. Number of new claims[1] received each month (average)	11,400	12,083
B. Number of new claims received and processed annually	136,800	145,000
C. Number of claims examiner person years	7.9	21.0
D. Number of claims one examiner will process	17,316	6,905

[1] Includes defaults, bankruptcies and death and disability claims.

Collections - Collectors/Collector Correspondents

	1975 Base	1976 Estimate	Increase
Collectors	135	135	--
Collector Correspondents	--	37	37
Total	135	172	37
Person Years	108	162.8	54.8

The Guaranteed Student Loan Program consists of two parts: a Federal Insurance Program and a State and private nonprofit agency insurance program. Loans made under most of the latter programs are reinsured by the Federal Government at 80 percent of their insured unpaid principal balance.

In the case of loans guaranteed by State Agencies, the law requires exercise of due diligence on the part of the lender prior to the agency paying default claims. The agency has full responsibility for recovery of the loss and 80 percent of such recoveries under the program must be returned to the Federal Government for deposit in the Student Loan Insurance Fund. Under this Reinsurance Program, the Federal Government has no direct collection responsibilities.

Under the Federal Insurance Program, the lender is obligated to make all reasonable efforts to recover his losses before presenting a default claim. The Federal Government then attempts to recover directly from the student. Collection efforts were commenced centrally in fiscal year 1968, but significant numbers of default claims were not received by the Office of Education until fiscal year 1971.

[redacted]

Prior to fiscal year 1975, because of staffing and resource constraints, the Office had been unable to fully implement an effective collection program demonstrating its commitment to recover on defaulted loans, thereby reducing losses to the Government. However, with the receipt of an additional 109 collectors in the final quarter of fiscal year 1974, the collection function in the Regional Offices approached a viable recovery effort.

To continue this effort effectively, an additional 37 positions are required in fiscal year 1976. These additional people will:

--make students more aware of their responsibility to repay loans.

--monitor the recovery program through the Manpower Management System and Operational Planning System.

--create an efficient, productive and modern collection facility in each Regional Office.

--increase collections in the Federal program from $7,000,000 in fiscal year 1975 to $17,100,000 in fiscal year 1976, and in the State programs from $6,100,000 in fiscal year 1975 to $13,800,000 in fiscal year 1976.

--accelerate litigation of defaulted borrowers.

Background and Workload Data

An estimated backlog of 181,458 uncoverted defaulted loans will exist on July 1, 1975, under the Federal program. Approximately 132,000 new claims will be received during 1976 thus creating a grand total of 313,458 accounts which will be available for conversion activity during fiscal year 1976. On the basis of the best output data available, one full-time trained collector or collector correspondent with proper support can convert 396 accounts to repayment status during the year.

The following table presents the backlog of existing accounts, the estimated additional number of claims to be received, the number of person years being applied to the projected workload and the number of accounts which can be converted with the associated person power.

OFFICE OF GUARANTEED STUDENT LOANS
FEDERAL PROGRAM
WORKLOAD DATA FOR COLLECTION ACTIVITY
FISCAL YEARS 1975 - 1977

	1975 Estimate	1976 Estimate	1977 Estimate
A. Uncoverted accounts brought forward (C-E prior year)	103,226	181,458	248,989
B. Accounts received current year	121,000	132,000	79,286
C. Total accounts available for conversion (A+B)	224,226	313,458	328,275
D. Person years	108.0	162.8	185.0
E. Number of accounts converted (D times 396)	42,768	64,469	73,260

The additional 37 positions requested in fiscal year 1976 will be designated as collector correspondents and will handle conversions produced through the Computer Generated Letter Program and manual form letters. As shown in the above table, even with 172 filled positions, the recovery effort cannot keep pace with the large influx of new accounts causing the backlog to continue to grow. Management believes that during the next fiscal year the number of new accounts will begin to stabilize at a level which can be maintained by 185 collectors/collector correspondent positions. As an intermediate measure, only 37 positions are being requested to serve as a building base as the collection function is refined and augmented in each of the Regional Offices. To further this development objective, each of the Regional Offices has been instructed that the first three collector positions are to be filled with permanent staff and of their remaining collector positions one-third are to be filled with temporary staff. This policy will facilitate the reallocation of positions if actual workload so dictates.

Cost Effectiveness

Experience has shown that a converted account will produce receipts of $110 in its initial year of conversion and $191 in subsequent years until it is paid-in-full. Therefore, for each additional manyear of effort expended in the collection effort, $43,560 ($110 x 396) will be returned to the program. Thus, with an effective increase of 54.8 manyears, an additional income of $2,387,088 ($43,560 x 54.8) will be realized on new accounts in fiscal year 1976, $1,210,968 ($43,560 x 27.8) 1/ is directly attributable to the requested 37 additional positions. The accounts converted during fiscal year 1976, reduced by 5 percent paid-in-fulls in each subsequent year, will continue to produce receipts into the future at a rate of $191 per account. Thus, the 11,099 accounts converted by the 37 additional positions will produce receipts totaling $2,013,914; $1,913,247; $1,817,585; and $1,726,678 during the following four fiscal years. Also, during these years, the 37 positions will continue to convert 396 accounts each year thus increasing the number of accounts producing receipts. Below are two summary analysis tables. The first presents a breakdown of annual collection receipts allocating the receipts to the fiscal year in which the accounts producing the receipts were converted, and the second presents the actual number of accounts producing receipts. These tables assume an increase to 185 positions in fiscal year 1977.

Federal Program
Receipts from Converted Accounts

FY Account is converted	FY 1975	FY 1976	FY 1977
FY 1974	$ 2,300,000	$ 2,200,000	$ 2,100,000
FY 1975	4,700,000	7,800,000	7,400,000
FY 1976		7,100,000	11,700,000
FY 1977			8,100,000
TOTAL	$ 7,000,000	$17,100,000	$29,300,000

Number of Converted Accounts Producing Receipts

FY Account is converted	FY 1975	FY 1976	FY 1977
FY 1974	12,259	11,646	11,063
FY 1975	42,768	40,630	38,598
FY 1976		64,469	61,246
FY 1977			73,260
TOTAL	55,027	116,745	184,167

Clerical

Clerical support has been insufficient to meet the workload needs of the Regional Office personnel. Based on established professional to clerical ratios, 17 additional clerical positions are being requested to support the Program Director, field and claims examiners, and collector/collector correspondents in fiscal year 1976. For a functional assignment of these 17 positions see the preceeding table on the "Allocation of Regional Positions."

[redacted]

CENTRAL OFFICE ANALYSIS

Differing from the Regional Offices which exist in an operational environment and lend themselves very readily to specific output and workload indicators, the Central Office operates as a policy making unit with fewer quantifiable output indicators. From data supplied by experience, 15 additional positions are being requested in fiscal year 1976 for the Central Office. Each functional area requiring an increase is discussed: first, with a synopsis of the major tasks assigned to the area; followed by a specific analysis of how the requested additional resources would be utilized.

Field Support Staff

	1975 Base	1976 Estimate	Increase
Positions	6	7	1
Person Years	4.5	6.8	2.3

The Field Support Staff is responsible for: (1) assuring prompt and complete response to inquiries concerning program policies, procedures or operations made by all Regional Offices: (2) completing responses to guarantee agency inquiries which do not conflict with the delegations of authorities to the Regional Commissioner; (3) promoting the development of guarantee agencies and their programs; (4) assisting in assuring that Regional Office and guarantee agency views are incorporated into program planning, policies and procedures; (5) establishing and maintaining liaison with constituent groups such as school and lender organizations; and (6) maintaining relationships and providing support to Sallie Mae.

Prior to fiscal year 1975, this function was not aggregated and assigned to one unit but spread throughout the office. This being the situation, it was difficult to ascertain the exact workload requirements which would be placed upon this unit. The workload placed upon it during its first year of successful operation has demonstrated the need for one additional position in fiscal year 1976. This position would be employed in the preparation of draft publications to constituency groups concerning program matters, and answering inquiries from the general public, bankers, school personnel and Regional Offices.

Executive and Program Control Staff

	1975 Base	1976 Estimate	Increase
Positions	15	16	1
Person Years	11.3	15.8	4.5

The Executive and Program Control Staff is responsible for the basic monitoring of assigned actions and for the administrative functioning of the Office of Guaranteed Student Loans. The function is supportive of the three major division in such areas as budget, personnel, office services and general administration. The program control function provides close monitoring of required actions assigned to the Office of Guaranteed Student Loans from internal and external sources. The additional person will:

--expedite the processing of monitored correspondence and requests both externally and internally generated.

--improve the quality and quantity of analysis activities performed.

Program Development

	1975 Base	1976 Estimate	Increase
Positions	22	25	3
Person Years	16.5	24.3	7.8

The Division of Program Development is responsible for: (1) program planning; (2) developing and coordinating matters relating to legislation and regulations; (3) conducting program analysis to provide recommendations for changes in legislation and/or regulation; (4) developing policies and procedures defining the operation of the Guaranteed Student Loan Program for lenders, schools, and guarantee agencies including the development and issuance of manuals and guidelines; (5) providing policy guidance to regional offices, guarantee agencies and various constituent groups in areas relating to legislation, regulations and their implementing procedures; (6) coordinating interpretation of legislation and regulations with the Office of General Counsel and other appropriate agencies; and (7) coordinating compliance resolution.

With the publication of the new regulations in February 1975, the way was cleared to begin the extensive task of up-dating and issuing two lender manuals. The completion of this task will provide a sound working basis for the field and claims examiners in the Regional Offices. In order to expedite its completion and to provide a continual up-dating and informing of concerned participants, two additional positions are required. The third position is required to increase the Office's potential for analysis of outside activities which could affect the operation of the program as it is affected by policy, legislative and regulatory decisions of outside organizations. Presently, this is being performed only in a cursory manner; but because of the potential impact outside activities could have on the program, a more in depth emphasis needs to be focused here.

Program Systems

	1975 Base	1976 Estimate	Increase
Positions	36	40	4
Person Years	27	39	12

The Division of Program Systems is responsible for: (1) the design of management systems, and the development and operation of computer-based information systems to accomplish the goals and objectives of the Guaranteed Student Loan Program. This includes conducting management analyses and making recommendations concerning future management systems development, consulting on internal policies, operations and program objectives and reviewing all procedures and forms developed within the program; (2) furnishing Guaranteed Student Loan Program management with systems information, guidance, advice and recommendations emerging from the overall work performed; (3) conducting highly complex management analyses and making continuing systems assignments on internal operating policies and program objectives; (4) providing a single point management function for all the planning, development, and operation of the data processing systems activities within the program; (5) establishing and issuing overall systems policy, allocating resources to systems activities; (6) resolving conflicting priorities and competitive demands for systems activities; (7) resolving conflicting priorities and competitive demands for systems resources; (8) preparing Requests for Proposal and authorizing the procurement of outside commercially available services through contracts; (9) acting as the Contract Technical Representative on program management consulting and systems contract; and (10) recommending systems budget and authorizing expenditures within the approved budget. The four additional people will be assigned to:

--monitoring the planning and budgetary estimation model.
--designing a complex computer system to assure financial accountability, a quality data base and sound long-range management and administration of the program.

Operational Support

	1975 Base	1976 Estimate	Increase
Positions	69	75	6
Person Years	51.8	73.5	21.7

The Division of Operational Support is responsible for: (1) the internal operating policies and procedures relating to processing and programmatic activities to include: insuring loans, paying interest benefits, special allowance and claims; collection of defaulted accounts; and day-to-day communication and personal contact with individual lenders, schools, State agencies and students; (2) providing operational support through document processing activities which are supportive to Regional Office operations, lenders, schools and guarantee agencies; (3) preparing internal program operating policies and procedures supportive to the internal (both central and regional) operation of the program; (4) monitoring operations in consistency with national policies and standards; (5) assuring adequate control of documents flowing both to and from the computer system and distributing computer outputs; and (6) providing for effective management information reports including the monitoring of the Student Loan Insurance Fund. The 6 additional people will be responsible for:

--improving coordination activity with lender servicing agencies.
--developing and maintaining supporting collection services with private companies and other governmental agencies.
--providing more complete analysis of programmatic data for the identification of trends and problem areas.
--improving the Student Loan Insurance Fund monitoring activities.
--implementing a reconciliation of the Office of Education's records with those of the lenders.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
2. Planning and evaluation:	$6,858,000	$6,858,000	$9,000,000	+2,617,000
(a) New awards	4,735,000	4,735,000	2,850,000	-1,885,000
Number	30	30	20	- 10
(b) Non-competing continuing awards....	1,648,000	1,648,000	6,150,000	+4,502,000
Number	13	13	13	—
Total	6,383,000	3,383,000	9,000,000	+2,617,000

Narrative

Program Purpose

To determine the impact and effectiveness of Federal education programs and analyze educational problems and policy choices, the Office of Education each year carries out a series of planning and evaluation studies authorized by the General Education Provisions Act, section 411. The findings from these studies provide information that is used to improve program operations within the Office of Education. The data produced by these studies also responds to the Congressional need for accurate information about educational issues.

Evaluation studies are designed to assess how well program operations meet educational needs and objectives, in order to determine which approaches work well and why. Planning studies are typically designed to analyze the available information on a salient educational problem in order to clarify alternative policy choices and recommendations. Normally, studies are carried out by contractors selected through competitive bidding, on the basis of detailed specifications developed by the Office of Education. Executive summaries of the results of these studies are distributed to the Congress, Chief State School Officers and members of the education community. Most studies require more than twelve months to complete.

Plans for fiscal year 1976

To improve our knowledge about program effectiveness and complete Congressionally-required studies, $9,000,000 is requested for this activity. This level will support the continuation of 13 evaluation studies of which 7 are required by the Education Amendments of 1974, as well as about 10 new evaluation and 10 planning studies.

The requested funds will allow major new studies to be started in several areas. For example, a study on the impact of vocational education programs for disadvantaged students will yield information about the effectiveness of Federal efforts in this controversial area. A new study of Federal education programs for Indians will build on a recently-completed analysis by the Office of Education and the Bureau of Indian Affairs in order to assess the impact of Federal dollars. An evaluation of the Teacher Corps will give a reading on the effectiveness of the program's recent shift toward teacher retraining. In addition, major studies of the postsecondary student aid allocation process and the Guaranteed Student Loan Program will be carried out. Findings from these studies will provide useful data for future legislative deliberations.

Accomplishments for fiscal years 1974 and 1975

Fiscal year 1974 funds supported 30 new and 16 continuation studies covering all major program areas within the Office of Education. The results of these studies just became available and are being used as input to legislation, as well as for changes in program guidelines and regulations and improvements in program management.

For example, the study of the Elementary and Secondary Title I formula highlighted the trade-offs involved in changing the then-existing formula. Information from this study provided the basis for alternative formula computations furnished to Congress during the development of the Education Amendments of 1974. A study of the Bilingual Education program, documenting the need for more and better-trained personnel and better materials, was instrumental in the development of the capacity-building strategy reflected in the fiscal year 1976 budget request for this program. A study of compensatory education programs led to the development and operational funding in fiscal year 1975, of "Project Information Packages." This program develops "packages" describing how to replicate successful programs, field tests the packages for possible improvements, and disseminates the final packages to school systems throughout the Nation.

A large part of Planning and Evaluation resources in fiscal year 1975 was devoted to the studies mandated by the Education Amendments of 1974. A total of $ 3,610,000 was devoted to this purpose. Ten studies in all were funded, on the condition of bilingual education, ESEA Title I, cooperative education, bilingual vocational education programs, the status of career education, the National Reading Improvement program, and the effects of late funding of elementary and secondary education programs. Over 30 studies in all are scheduled for completion during fiscal year 1975.

SUPPLEMENTAL FACT SHEET

Planning and Evaluation Studies
Fiscal Year 1976

Area and Title of Study	FY 1976 Estimated Cost	Continuation or New	Legislatively Mandated	Planning or Evaluation Study
Elementary and Secondary Education				
1. Title I, ESEA Studies:				
a. Evaluation of the migrant education program..........	1,000,000	Cont'd	Yes	Eval.
b. Survey of SEA/LEA evaluation assistance needs...........	300,000	Cont'd	Yes	Plan.
c. Evaluation of the Title I program for neglected and delinquent children.........	1,100,000	Cont'd	Yes	Eval.
d. Effectiveness of Title I parent Advisory Councils...	250,000	New	No	Eval.
Subtotal, Title I.......	2,650,000			
2. Evaluation of Federal education programs for Indians..........	300,000	New	No	Eval.
3. Evaluation of the impact of the Federal Bilingual education program......................	750,000	Cont'd	Yes	Eval.
4. Study of the condition of Bilingual education in the nation..	100,000	Cont'd	Yes	Eval.
5. Longitudinal study of education demonstration programs........	200,000	Cont'd	No	Eval.
Total, Elementary and Secondary........	4,000,000			
Postsecondary Education				
1. Effects of cooperative education on career development.........	400,000	Cont'd	Yes	Eval.
2. Evaluation of HEA Title III developing institutions programs...	350,000	Cont'd	No	Eval.
3. Study of the impact of student financial aid programs........	500,000	Cont'd	No	Eval.
4. Evaluation of planned variations experiment for the special programs for the disadvantaged in higher education	350,000	Cont'd	No	Eval.
5. Guaranteed student loan program......................	150,000	New	No	Eval.
6. The student aid allocation process......................	250,000	New	No	Eval.
Total, Postsecondary.....	2,000,000			
Occupational, Vocational, and Adult Education				
1. Assessment of Bilingual vocational education programs.....	400,000	Cont'd	Yes	Eval.

	FY 1976 Estimated Cost	Continuation or New	Legislatively Mandated	Planning or Evaluation Study
2. Vocational analysis of the longitudinal study of the high school class of 1972...	200,000	Cont'd	No	Eval.
3. Comparative effectiveness of various postsecondary systems in vocational training......	300,000	New	no	Eval.
4. Study of the vocational curriculum development program.	200,000	New	No	Eval.
Total, Occupational, Vocational, and Adult......	1,100,000			
Education for the Handicapped				
1. Evaluation of the media services and captioned film program..	300,000	New	No	Eval.
Library Programs				
1. Study of school library media centers...............	300,000	New	No	Eval.
Other Areas				
1. Effectiveness of environmental education programs...........	150,000	New	No	Eval.
2. Analysis of the report by States on uses of Federal education funds.............	500,000	Cont'd	Yes	Plan.
3. Study of 10th cycle teacher corps demonstration models..	300,000	New	No	Plan.
4. Studies conducted by the Assistant Secretary for Planning and Evaluation, DHEW........................	350,000	New	No	Plan.
Total	9,000,000			
New.................	(2,850,000)			
Continuing.........	(6,150,000)			

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SUPPLEMENTAL FACT SHEET

Planning and Evaluation Studies
Fiscal Year 1975

Area and Title of Study	FY 1975 Estimated Cost	Conti-uation or New	Legisla-tively Mandated	Planning or Evaluation Study
Elementary and Secondary Education				
1. Title I, ESEA Studies:				
a. Design of an impact evaluation of the migrant education program.........	$ 300,000	New	Yes	Eval.
b. Analysis of State Title I evaluation reports........	110,000	Cont'd	Yes	Eval.
c. Survey of SEA/LEA evaluation assistance needs...	400,000	New	Yes	Plan.
d. Evaluation of the Title I program for neglected and delinquent children...	500,000	Cont'd	Yes	Eval.
Subtotal............	1,310,000			
2. Study of the effects of late funding of elementary and secondary education programs.	100,000	New	Yes	Plan.
3. Study of the condition of bilingual education in the nation......................	400,000	New	Yes	Eval.
4. Evaluation of Title IV of the Civil Rights Act.........	40,000	Cont'd	No	Eval.
5. Longitudinal study of education demonstration programs.......	45,000	Cont'd	No	Eval.
6. Further analysis of ESAP-II evaluation data..............	58,000	Cont'd	No	Eval.
7. Evaluation of ESEA Title III diffusion-adoption strategy..	300,000	New	No	Eval.
Total, Elementary and Secondary........	2,253,000			
Postsecondary Education				
1. Effects of Cooperative Education on career launching and development....	400,000	New	Yes	Eval.
2. Evaluation of the Talent Search and Upward Bound programs.....................	45,000	Cont'd	No	Eval.
3. A comprehensive evaluation of HEA Title III, developing institutions, phase II.......	130,000	Cont'd	No	Eval.
4. Development of criteria for institutional eligibility and consumer protection......	200,000	New	No	Plan.

	FY 1975 Estimated Cost	Conti-uation or New	Legislatively Mandated	Planning or Evaluation Study
5. Data analyses, loan estimation model	$ 100,000	Cont'd	No	Plan.
6. Evaluation of the planned variations experiment for the special programs for the disadvantaged in higher education and a related review of the subprogram of educational opportunity centers	170,000	New	No	Eval.
7. Census Bureau analysis of current population survey data (1967-1973)	60,000	New	No	Plan.
8. Higher education national planning model development,	60,000	Cont'd	No	Plan.
9. An examination of select areas of institutional resource management	15,000	New	No	Plan.
10. Regional review conferences relating to the report of the National Commission on the Financing of Post-Secondary Education	25,000	New	No	Plan.
Total, Postsecondary	1,205,000			
Occupational, Vocational, and Adult Education				
1. Assessment of the status of career education programs, curriculum and materials	235,000	New	Yes	Eval.
2. Assessment of Bilingual Vocational education programs	200,000	New	Yes	Eval.
3. Vocational analysis of first year follow-up data of the national longitudinal study of high school class of 1972	175,000	Cont'd	No	Eval.
4. Development of evaluation model for career education	75,000	Cont'd	No	Eval.
5. Assessment of vocational educational programs for disadvantaged students	350,000	New	No	Eval.
Total, Occupational, Vocational and Adult	1,035,000			
Right-to-Read				
1. Assessment of the National Reading Improvement Program	150,000	New	Yes	Plan
2. A collection and evaluation of measures of functional adult literacy	60,000	Cont'd	No	Eval.
Total, Right-to-Read	210,000			

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	FY 1975 Estimated Cost	Continuation or New	Legislatively Mandated	Planning or Evaluation Study
Education for the Handicapped				
1. Evaluation of educational diagnostic and referral centers for the handicapped	250,000	New	No	Eval.
Library Programs				
1. Study of library network and inter-cooperation programs	200,000	New	No	Eval.
Other Areas				
1. Report by States on uses of Federal educational funds	500,000	New	Yes	Plan.
2. Computer and consultant costs	250,000	Cont'd	No	Plan.
3. Support of policy research centers	1/ (475,000)	Cont'd	Yes	Plan.
4. Assistant Secretary for Planning and Evaluation Department of Health, Education, and Welfare:				
a. Analysis of fiscal year 1973 participation of handicapped children in local education projects	30,000	New	No	Plan.
b. Development of a framework for dissemination	50,000	New	No	Plan.
c. Endowment capital for developing institutions, study of alternatives to HEA, Title III	50,000	New	No	Plan
d. Study of the relationship between State student aid programs and participating colleges and universities	50,000	New	No	Plan
e. Characteristics of eligible non-applicants of Basic Educational Opportunity Grants	50,000	New	No	Plan
f. Development of a research agenda for the national longitudinal study of high school seniors	25,000	New	No	Plan
g. Study of productivity and screening effects of educational attainment	30,000	New	No	Plan.

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	FY 1975 Estimated Cost	Continuation or New	Legislatively Mandated	Planning or Evaluation Study
h. Study of special issues in the specification of Title I, ESEA comparability regulations	45,000	New	No	Plan.
i. Analysis of issues in the reduction of racial isolation in the public schools...............	50,000	New	No	Plan.
j. Analysis of recent trends in the relative earnings of minority and non-minority populations	40,000	New	No	Plan.
k. Collection of starting teacher salaries by State.................	25,000	New	No	Plan.
l. Comparison of alternative educational interventions for the educational national priority populations. 1/	35,000	New	No	Plan.
Subtotal.............	480,000			
Total...............	6,383,000			
New.............	(4,735,000)			
Continuing....	(1,648,000)			

1/. To be funded by the Assistant Secretary for Education in fiscal year 1976. Shown as a comparable transfer in 1975.

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
3. General Program Dissemination				
(a) Dissemination:	$500,000	$500,000	$500,000	$ ---
(1) New awards............	100,000(1)	100,000(1)	250,000(5)	+150,000(+)
(2) Non-competing continuing awards...	370,000(4)	370,000(4)	250,000(4)	-120,000(-)
(3) Competing continuing awards..............	30,000(1)	30,000(1)	---	- 30,000(-)
Total.......	500,000	500,000	500,000	---

Narrative

Program Purpose

To inform the general public and members of the education community of new educational developments, federally supported education programs and encourage the active participation of all people in improving American education, contracts are awarded to public or private organizations under Section 422 of the General Education Provisions Act. The major thrust is aimed at the widest possible audience. The substance of the projects is derived from Office of Education programs and priority is given those programs which directly support the major objectives of the President as set forth in his State of the Union message, and to those programs which are designated as priorities by the Secretary of Health, Education and Welfare, the Commissioner of Education and the Congress.

Plans for fiscal year 1976

To meet the most critical needs for information on educational opportunities, tentative projects include distribution of a film on changing attitudes and new opportunities in education for women and minorities (produced with fiscal year 1975 funds). Produce a series of radio and TV information spots on student financial aid programs other than basic grants and a series of information spots on metrication. Continue the Advertising Council project to stimulate student interest in seeking technician education and the distribution of several education films.

Accomplishments for fiscal year 1974 and 1975

Funds were not appropriated for General Program Dissemination in fiscal year 1974. Under the Continuing Resolution, however, $117,247 was obligated for prints of the Environmental Education film, which had been produced with fiscal year 1972 funds. The obligation was charged against program administration.

In fiscal year 1975, a film on new and emerging opportunities for women and minorities in education was produced, distribution of several education films was continued, and the Advertising Council campaign to encourage people to seek technical education was continued.

SUPPLEMENTAL FACT SHEET

General Program Dissemination

Proposed Projects - fiscal year 1976	Amount
Distribution of a 20-minute film on new and emerging opportunities for women and minorities in education	$ 75,000
Continuation of Technician Education project to disseminate information on Postsecondary Technical Skills Training (Advertising Council)	75,000
Continuation of Careers Mailing Service--response mechanism for above multimedia project	50,000
Continuation of the distribution of environmental education film	75,000
Continuation of the distribution of early childhood education film	50,000
Series of radio and TV spots on metric education	60,000
Distribution of above spots	20,000
Series of radio and TV spots on Student Financial Aid (other than Basic Grants)	75,000
Distribution of above spots	20,000
	$ 500,000

Projects - fiscal year 1975	
Continuation of distribution of Right to Read Film	$ 40,000
20-minute film on new and emerging opportunities for women and minorities in education	100,000
Continuation of Career Education project using radio, TV, and print media to disseminate information to the public on the availability of postsecondary technical skills training	175,000
Continuation of Careers Mailing Services	30,000
Continuation of distribution of Environmental Education film	100,000
Continuation of distribution of Early Childhood Education film	55,000
	$ 500,000

Projects - fiscal year 1974	
Distribution of prints of the Environmental Education film	$ 117.247

	1975 Estimate		1975 Revised		1976 Estimate		Increase or Decrease	
	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.
4. Advisory Committees....	38	$1,141,000	38	$1,681,000	38	$2,041,000	---	+360,000

Narrative

Program Purpose

To advise the Commissioner of Education concerning the administration of, preparation of general regulations for, and operation of educational programs, to effectuate the coordination of programs administered by the Office, make recommendations for changes, both in Federal laws and the administration of the programs, make annual reports of its findings to the Commissioner, the President, Secretary of Department of Health, Education, and Welfare for transmittal to the Congress. These 13 Councils are governed by Part D of the Education Amendments of 1974.

Plans for fiscal year 1976

To insure necessary advice to the Commissioner of Education five Presidential and eight public Committees appointed by the Secretary or the Commissioner of Education and 38 professional and clerical staff to support these committees will be continued in 1976. The increase of $360,000 over fiscal year 1975 will provide full year costs of the three new committees on Career Education, Community Education and the Presidential Committee on Women's Educational Programs authorized by the Education Amendments of 1974. Also additional funds are needed by most of the Committes to support the expanded statutory responsibilities and priorities established by the Commissioner or the Councils.

Accomplishments for fiscal year 1974 and 1975

The Councils on Equality of Educational Opportunity and the Extension and Continuing Education will have completed their evaluation assignments and issued their reports by June 30, 1975. New committee members were selected and initial meetings held on Career and Community Education. The Council on Women's Educational Programs will be selected and the initial meeting will be held. All existing committees have submitted their annual reports on committee findings and recommendations to the Commissioner. Change over of the advisory committee support staff to civil service employees as required by General Audit and General Counsel requirements was completed.

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*Proposed reprogramming from the Program Administration activity.

SUPPLEMENTAL FACT SHEET

ADVISORY COMMITTEES

	Authorized by	No. of Members	Appointed by	1975		Revised 1975*		1976 Estimate		Increase or Decrease	
				No. of Positions	Amount	No. of Positions	Amount	No. of Positions	Amount	No. of Positions	Amount
Accreditation and Institutional Eligibility	PL 82-550	15	Commissioner/ Secretary	---	$ 25,000	---	$ 25,000	---	$ 57,000	---	$+ 32,000
Adult Education	PL 91-230	15	President	5	197,000	5	201,000	6	266,000	+ 1	+ 65,000
National Advisory Council on Bilingual Education	PL 89-10	15	Secretary	---		(Funded under Bilingual Education, Authorized by P.L. 93-380)					
Career Education	PL 93-380	12	Secretary	---	---	---	90,000	---	121,000	---	+ 31,000
Community Education	PL 93-380	11	Secretary	---	---	---	85,000	---	150,000	---	+ 65,000
Developing Institutions	PL 92-318	9	Commissioner	---	28,000	---	28,000	---	30,000	---	+ 2,000
Education of Disadvantaged Children	PL 89-10	15	President	8	183,000	8	188,000	8	263,000	---	+ 75,000
Education Professions Development	PL 90-35	15	President	5	148,000	5	152,000	5	191, 00	---	+ 39,000
Environmental Education	PL 91-516	21	Secretary	---	---	---	25,000	---	50,000	---	+ 25,000
Equality of Educational Opportunity	PL 92-318	15	President	3	111,000	3	113,000	---	---	- 3	-113,000
Ethnic Heritage Studies	PL 92-318	15	Secretary	---	---	---	50,000	---	50,000	---	---
Extension and Continuing Education	PL 89-239	12	President	4	---	4	158,000	---	---	- 4	-158,000
Financial Aid to States	Higher Ed. Amendments of 1968	21	Commissioner	---	50,000	---	50,000	---	60,000	---	+ 10,000
National Advisory Committee on Handicapped Children	PL 91-230	15	Commissioner/ Secretary	---	70,000	---	100,000	---	100,000	---	---
Vocational Education	PL 90-576	21	President	13	328,000	13	336,000	13	409,000	---	+ 73,000
Women's Educational Programs	PL 93-380	17	President	---	---	---	80,000	6	294,000	+ 6	+214,000
TOTALS				38	1,140,000	38	1,681,000	38	2,041,000	---	+360,000

*Proposed reprogramming from the Program Administration Activity.

SUPPLEMENTAL FACT SHEET

Advisory Councils

Accreditation and Institutional Eligibility -- (Authorized by P.L. 82-550, as amended, 15 members appointed by the Commissioner with approval of the Secretary)

This committee advises the Commission in fulfilling his statutory obligation to publish a list of nationally recognized accrediting agencies and associations, and a list of recognized State agencies for the approval of nursing education programs, and of public postsecondary vocational education. It also, advises the Commissioner on matters relevant to institutional eligibility for federal funding and to accreditation. Additional funds are needed in 1976 to support expanded committee activities related to the review of, State approval agencies, federal schools, proprietory schools, and appeals from such agencies and institutions.

Adult Education -- (Authorized by P.L. 91-230 and Amendments, 15 members appointed by the President)

The Council advises the Commissioner in the preparation of general regulations with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 306, and policies and other programs offering adult education activities and services. The Council reviews the administration and effectiveness of programs under this title, makes recommendations with respect thereto, and makes annual reports to the President of its findings and recommendations (including recommendations for changes in this title and other Federal laws relating to adult education activities and services). The President transmits each such report to the Congress together with his comments and recommendations. Additional funds are requested in 1976 due to the Council's increased statutory responsibility, and priorities established by the Council.

Career Education -- (Authorized by P.L. 93-380, Section 407 of the Education Amendments of 1974, 12 members appointed by the Secretary)

The Council advises the Commissioner of Education with respect to programs of the Division of Education pertaining to the development and implementation of career education, and evaluating their effectiveness in meeting the needs of the Nation. In its report to Congress, the Council will include recommendations for remedial legislation based on a survey and assessment of the current status of career education programs in the United States. Fiscal year 1976 represents the first full year of funding for the Council.

Community Education -- (Authorized by P.L. 93-380, of the Education Amendments of 1974, 11 members appointed by the Secretary)

This Council advises the Commissioner on policy matters relating to the interest of community schools in which the federal government shares in the planning establishing, expanding, and operating of community education programs, and analyzes and evaluates the programs' effectiveness in its Congressional report. Fiscal year 1976 represents the first full year of funding for the Council.

Developing Institutions -- (Authorized by the Higher Education Act of 1965, Title III, P.L. 92-318, 9 members appointed by the Commissioner)

The Council advises the Commissioner of Education on policy matters arising in the administration of Title III of the Higher Education Act of 1965, as amended, by assisting in identifying developing institutions and by establishing priorities and criteria in awarding grants, so the purposes of Title III can best be achieved.

Education of Disadvantaged Children -- (Authorized by ESEA, Title I, P.L. 89-10, as amended, 15 members appointed by the President)

This Committee reviews and evaluates the administration and operation of compensatory education programs at every level, with special emphasis on Title I, ESEA, and reports the effectiveness of these programs to the President and Congress in meeting the needs of disadvantaged children. Increased funding in 1976 is requested due to the increased volume of statutory responsibilities mandated by Section 821 of the Education Amendments of 1974.

Education Professions Development -- (Authorized by Section 502 of the Higher Education Act of 1965, P.L. 90-35, 15 members appointed by the President)

The Council (1) reviews the operation of Title V of the Higher Education Act and of all other federal programs for the training and development of educational personnel, and (2) evaluates their effectiveness in meeting needs for additional educational personnel and in achieving improved quality in training when entering positions in the field of education. The Council also advises the Secretary of Health, Education, and Welfare and the Commissioner of Education with respect to policy matters arising in the administration of this title and any other matters, relating to the purposes of this title, on which their advice may be requested. Additional funds are requested in 1976 to more thoroughly and effectively expand the activities and agenda of the Council.

Environmental Education -- (Authorized by P.L. 91-516, as amended, 21 members appointed by the Secretary)

The Council advises the Commissioner concerning the administration of, and general regulations for, the operation of programs to enhance environmental quality and maintain ecological balance. The committee makes recommendations with respect to the allocation of appropriated funds, with insurance of appropriate geographical distribution of programs and projects throughout the Nation, and evaluates the environmental education programs and projects, publishing and disseminating the results. Fiscal year 1976 represents the first full year of funding for the Council.

Equality of Educational Opportunity -- (Authorized by P. L. 92-318, 15 members appointed by the President)

The Council advises the Assistant Secretary for Education with respect to the operation of the program authorized by the Emergency School Aid Act, including the preparation of regulations and the development of criteria for the approval of applications. It also, reviews the operation of the program with respect to its effectiveness in achieving its purpose, and the Assistant Secretary's conduct in its administration. No funds or positions are requested for fiscal year 1976.

Ethnic Heritage Studies -- (Authorized by P. L. 92-318, of the Education Amendments of 1972, 15 members appointed by the Secretary)

The Council advises the Commissioner of Education in the administration of applicable ethnic heritage study programs, makes recommendations for legislative action and analyzes and evaluates federally funded ethnic heritage programs and projects in its reports to the Congress.

Extension and Continuing Education -- (Authorized by P. L. 89-329, 12 members appointed by the President)

The Council reviews the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs and makes recommendations with respect thereto to the President and the Commissioner of Education. No funds or positions are requested for fiscal year 1976.

Financial Aid to Students -- (Authorized by the Higher Education Amendments of 1968, 21 members appointed by the Commissioner)

This Committee advises the Commissioner of Education, reviews problem areas, evaluates the effectiveness, and makes recommendations regarding the administration by the Commissioner of the programs related to financial aid to students, with emphasis on changes in statutes, regulations, policies, and procedures. The scope of the Council's activities has been increased by recent expanded legislation and its structure has been adjusted to include two operating subcommittees.

Handicapped -- (Authorized by section 448(b) of the General Education Provisions Act, P. L. 91-230, 15 members appointed by the Commissioner with approval of the Secretary)

The National Advisory Committee on the Handicapped reviews the administration and operation of programs under the Education of the Handicapped Act. It also reviews the administration and operation of special institutions (National Technical Institute for the Deaf, Kendall Demonstration Elementary School, Model Secondary School for the Deaf, Gallaudet College, the National Center on Educational Media and Materials for the Handicapped) and advises the Secretary of the Department of Health, Education and Welfare and the Commissioner of Education with respect to these programs and the formulation of new programs for the handicapped.

The Committee was created October 9, 1973 through the merger of the National Advisory Committee on Education of the Deaf, and the National Advisory Committee on Handicapped Children, and has assumed the functions of those two groups.

Vocational Education -- (Authorized by P.L. 90-576, Vocational Education Amendments of 1968, Title I, 21 members appointed by the President)

The Council advises the Commissioner on administration of, preparation of regulations for, and operation of, vocational education programs; reviews administration and operation of programs, including effectiveness in meeting purposes for which they are established, makes recommendations and report findings; conducts independent evaluations of programs, and publishes and distributes results; and reviews duplication of programs at the postsecondary level. The increased request in 1976 is necessary to permit the Council to fully meet its obligations, increased responsibilities, and broadened activities.

Women's Educational Programs -- (Authorized by P.L. 93-380, Section 409 of the Education Amendments of 1974, 17 members appointed by the President)

The Council advises the Commissioner with respect to general policy matters relating to the administration of the "Women's Educational Equity Act of 1974." Recommendations will be made to the Commissioner regarding allocation of any funds, development of appropriate geographical distribution of approved programs and projects throughout the Nation, and the establishment of program priorities. Fiscal year 1976 represents the first full year of funding for the Council.

[redacted]

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
5. Information clearinghouses	$150,000	$150,000	$300,000	$+150,000
a) New awards	150,000	150,000	---	-150,000
Number	3	3	---	-3
b) Non-competing continuing awards	---	---	300,000	+300,000
Number	---	---	3	+3

Narrative

Program purpose

To operate clearinghouses for the collection, analyses and dissemination of information about adult, bilingual, and community education.

These clearinghouses are required by the Education Amendments of 1974.

Each of these clearinghouses will be designed to actively disseminate information about successful products and processes to State and local education agencies as well as the education community at large.

Plans for fiscal year 1976

To provide State and local agencies with information regarding the type of delivery systems best suited to particular settings, the clearinghouse on adult education will make an inventory of innovative practices and products. Initially, the focus of the clearinghouse will be on innovative projects previously funded under the Adult Education Act. The clearinghouse will also emphasize the development of information links between agencies and educators working in the area of adult education, to prevent duplication and enable adult educators to make better use of their resources.

The clearinghouse on bilingual education will have similar goals. This clearinghouse will facilitate the coordination of bilingual dissemination efforts of the Office of Education and the National Institute of Education, in order to get successful bilingual practices into the hands of practitioners in State and local education agencies.

The community education clearinghouse will provide information on what works best in this area particularly regarding the new Community Schools Act, the coordination of community education programs, and training methods for those who will plan and operate the community education programs.

Accomplishments in fiscal years 1974 and 1975

Planning contracts designed to develop specifications for the information clearinghouses will be carried out in fiscal year 1976.

OFFICE OF EDUCATION

Salaries and Expenses

Program Purpose and Accomplishments

Activity: Program administration (GEPA, Sec. 400(d))

1975 Estimate		1975 Revised		1976		
					Budget Estimate	
Pos.	Amount	Pos.	Amount	Authorization	Pos.	Amount
2,873	$91,915,000	2,873	$91,915,000	Indefinite	3,040	$100,684,000

Purpose: To enable the Commissioner to carry out the purpose and duties of the Office of Education such funds as are necessary are provided.

Explanation: This activity provides for personnel salaries and related administrative expenses for all Office of Education programs except for Indian Education which is requested in a separate appropriation.

Accomplishments in 1975: Implemented an agency-wide manpower utilization system to establish manpower resource needs by functional and program activity. Initiated the required studies, changes in programs and reports mandated by the Education Amendments of 1974.

Objectives for 1976: Insure the prudent use and efficient allocations of funds appropriated to the Office. Refine the Management of the Guaranteed Student loan program. Realign authorized positions from activities proposed for termination or phase out to new or proposed expanded activities.

OFFICE OF EDUCATION

Salaries and Expenses

Program Purpose and Accomplishments

Activity: Planning and evaluation (General Education Provisions Act, Section 411)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$6,383,000	$6,383,000	$25,000,000	$9,000,000

Purpose: To determine the impact and effectiveness of Federal education programs and analyze educational problems and policy choices, the Office of Education each year carries out a series of planning and evaluation studies authorized by the General Education Provisions Act, Section 411. The findings from these studies provide information that is used to improve program operations within the Office of Education. The data produced by these studies also responds to the Congressional need for accurate information about educational issues.

Explanation: Studies are carried out by contractors selected through competitive bidding, on the basis of detailed specifications developed by the Office of Education. Executive summaries of the results of these studies are distributed to the Congress, Chief State School Officers and members of the education community. Most studies require more than twelve months to complete.

Accomplishments for 1975: A total of $3,610,000 was used for the studies mandated by the Education Amendments of 1974. Additional studies were conducted in areas such as cooperative education, bilingual vocational education, and reading programs. Over 30 studies are scheduled for completion during 1975.

Objectives for 1976: The request will support the continuation of 13 evaluation studies, of which seven are required by the Education Amendments of 1974, and about 10 new evaluation and 10 planning studies. The new studies will be in the areas of Indian education, Teacher Corps, postsecondary education, and vocational education.

OFFICE OF EDUCATION

Salaries and Expenses

Program Purpose and Accomplishments

Activity: General program dissemination: Dissemination (GEPA, Sec. 422)

1975 Estimate	1975 Revised	1976 Authorization	1976 Budget Estimate
$500,000	$500,000	Indefinite	$500,000

Purpose: Inform the widest possible audience of new educational developments, the condition and progress of education, federally supported education programs and the effectiveness of such programs through the press, radio, television and related media systems. Priority is given those programs most directly supporting the administration's major objectives.

Explanation: Projects are performed under contract with public or private organizations, groups or individuals and monitored by Office of Public Affairs staff. Responses to request for proposals or invitations for bid are reviewed by Office of Education staff.

Accomplishments in 1975: One new project was undertaken in fiscal year 1975, the production of a 20-minute film on new and emerging opportunities for women and minorities in education, including prints. Five projects were continued from previous fiscal years. Three films on the right to read, early childhood education, and environmental education continued to be distributed on a free loan basis. The multimedia information campaign to encourage people to consider a technical education instead of a four-year liberal arts education was also continued, along with the response mechanism for dissemination of materials.

Objectives for 1976: Respond to agency priorities or to Office of Public Affairs' commitments to support specific programs which cannot affort to mount information campaigns with their own resources. Tentative new projects include the distribution of the film on opportunities in education for women and minorities; production of a series of radio and television spots on metrication; a series of radio and television spots on student financial assistance programs other than the basic grants program; and the distribution of these two series of spots. Several projects funded in previous years may be continued, depending upon continuing interest. These include the project with the Advertising Council to stimulate student interest in seeking technical education and the distribution of several education films.

OFFICE OF EDUCATION

Salaries and Expenses

Program Purpose and Accomplishments

Activity: Advisory Committees (GEPA, Part D)

1975 Estimate		1975* Revised		1975		
				Authorization	Budget Estimate	
Pos.	Amount	Pos.	Amount		Pos.	Amount
38	$1,140,000	38	$1,681,300	Indefinite	38	$2,041,400

Purpose: To support the activities of Advisory Councils, travel of and compensation for members, to provide special professional, clerical or technical assistance to support committee activities and to finance publication and dissemination of committee findings and recommendations.

Explanation: Advisory Committees serving the Office of Education are created by the Congress or established by the Executive Branch to provide expert advice with respect to programs administered by the Commissioner.

Accomplishments in 1975: Public committees provided advice relative to a majority of Office of Education administered programs during fiscal year 1975. In addition to carrying out specialized evaluation projects, advised the Office on preparation of regulations for the administration of educational programs and reviewed criteria for funding applications for various projects.

Objectives for 1976: Review and assess the Office of Education administered programs, report their activities, findings and recommendations to the Commissioner, the Congress and/or the President at the conclusion of the year.

*Proposed reprogramming from the Program Administration activity.

OFFICE OF EDUCATION

Salaries and Expenses

Program Purpose and Accomplishments

Activity: Information clearinghouses (Education Amendments of 1974)

1975	1975	1976	
Estimate	Revised	Authorization	Budget Estimate
$150,000 1/	$150,000 1/	$17,250,000 2/	$300,000

1/ Proposed reprogramming from program administration.
2/ Includes authorization for other activities in the bilingual education and gifted and talented activities.

Purpose: To operate clearinghouses to collect, analyze and disseminate information about adult, bilingual, and community education.

Explanation: Contracts are made to public and private agencies and organizations to establish and operate the clearinghouses.

Accomplishments in 1975: Planning contracts designed to develop specifications for th the clearinghouses will be awarded.

Objectives for 1976: The planning phase will be completed and the three clearinghouses will become operational.

New Positions Requested

	1976		
	Grade	Number	Annual Salary
Guaranteed Student Loan Program			
Program Compliance Specialist	GS-11	1	$ 15,481
Field Examiner	GS-9	6	77,046
Program Assistant	GS-9	1	12,841
Assistant Field Examiner	GS-7	14	147,280
Claims Examiner	GS-7	9	94,680
Program Assistant	GS-7	2	21,040
Secretary	GS-6	1	9,473
Program Assistant	GS-5	32	272,000
Secretary	GS-5	3	25,500
Clerk-Typist	GS-5	2	17,000
Billing Clerk	GS-4	27	205,092
Clerk-Steno	GS-4	7	53,172
Clerk-Typist	GS-4	2	15,192
Clerk-Typist	GS-3	10	67,640
Subtotal		117	1,033,437
Innovative and Experimental Programs			
Program Manager	GS-15	4	119,272
Arts Education Specialist	GS-14	1	25,581
Senior Program Specialist	GS-14	1	25,581
Education Program Specialist	GS-13	4	87,264
Education Program Specialist	GS-12	1	18,463
Education Program Specialist	GS-11	9	139,329
Administrative Assistant	GS-9	2	25,682
Program Assistant	GS-7	7	73,640
Secretary	GS-6	11	104,203
Secretary	GS-5	1	8,500
Clerk	GS-4	1	7,596
Subtotal		42	635,111
State Student Incentive Grant Program			
Education Program Specialist	GS-14	2	51,162
Education Program Specialist	GS-13	2	43,632
Program Assistant	GS-9	2	25,682
Secretary	GS-5	2	17,000
Subtotal		8	137,476
Total new positions, all activities		167	1,806,024

OFFICE OF EDUCATION

Salaries and Expenses

Estimate for July 1 - September 30, 1976 period

Obligations by Activity

Activity	1976 Estimate	Estimate July 1 - Sept. 30, 1976
Program administration	$100,684,000	$24,071,000
Planning and evaluation	9,000,000	60,000
General program dissemination	500,000	---
Advisory committees	2,041,000	512,000
Information clearinghouses	300,000	---
TOTAL	$112,525,000	$24,643,000

[redacted]

Justification

Interim Period: July 1 - Sept. 30, 1976

Salaries and Expenses

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
1. Program administration	$100,684,000	$24,071,000

Narrative

The amount requested in the interim budget represents level funding for 3,040 personnel and related costs for the 66-day interim period.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
2. Planning and evaluation	$ 9,000,000	$ 60,000

Narrative

During the interim period, no major studies will be funded. This request will cover data processing costs and some small purchase orders normally occurring in the beginning of the fiscal year.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
3. General program dissemination	$ 500,000	$ ---

Narrative

No funds are required for this activity during the interim period. Any distribution of films at this time will be funded late in fiscal year 1975. Film production and public service announcement production will be done in fiscal year 1977.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
4. Advisory committees	$ 2,041,000	$ 512,000

Narrative

The amount requested will provide level funding for the support of [illegible] advisory committees. This includes support for [illegible] personnel assigned as committee staff on the five Presidentially-appointed advisory councils. These are for adult education, education of disadvantaged children, education professions development, vocational education and women's education.

	1976 Estimate	Estimate for July 1 - Sept. 30, 1976
5. Information clearinghouses	$ 300,000	---

Amounts appropriated in fiscal year 1976 will fund the clearinghouses during the interim period. No additional funds are required during the interim period.

AFTERNOON SESSION

TUESDAY, MARCH 18, 1975.

OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

WITNESSES

VIRGINIA Y. TROTTER, PH. D., ASSISTANT SECRETARY FOR EDUCATION

VIRGINIA B. SMITH, DIRECTOR, FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

FRANCIS C. NASSETTA, ACTING ADMINISTRATOR, NATIONAL CENTER FOR EDUCATION STATISTICS

MARJORIE O. CHANDLER, ACTING DEPUTY ADMINISTRATOR, NATIONAL CENTER FOR EDUCATION STATISTICS

CHARLES E. HANSEN, DIRECTOR OF ADMINISTRATION, OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, COMPTROLLER

Mr. NATCHER. The meeting will come to order.

On this particular section, we have Dr. Virginia Trotter, Assistant Secretary for Education. We will be on the subject of some salary and expenses and some operating programs.

Dr. Trotter, how would you like to proceed? You have a statement, I see.

Dr. TROTTER. Yes, I do. First, I would like to introduce those with me: Virginia Smith, Director, Fund for the Improvement of Postsecondary Education; Francis Nassetta, Acting Administrator, National Center for Education Statistics; Marjorie Chandler, Acting Deputy Administrator, National Center for Education Statistics; Charles Hansen, Director of Administration, Office of the Assistant Secretary for Education; and Charles Miller, Deputy Assistant Secretary, Comptroller.

Mr. NATCHER. We will place your biographical sketch in the record at this point.

[The biographical sketch follows:]

Name: Virginia Y. Trotter.

Position: Assistant Secretary for Education.

Birthplace and date: Boise, Idaho, November 29, 1921.

Education: Ph. D. in Family Economics, Housing, Higher Education, Ohio State University, Columbus, Ohio, 1959. M.S. in Family Economics, Kansas State University, Manhattan, Kans., 1949. B.S. in Home Economics, Kansas State University, Manhattan, Kans., 1943.

EXPERIENCE

1974–Present: Assistant Secretary for Education, DHEW.

1972–74: Vice Chancellor for Academic Affairs and Professor of Education and Family Resources, University of Nebraska-Lincoln.

1970–72: Dean of the College of Home Economics, University of Nebraska-Lincoln.

1963–70: Associate Dean of the College of Agriculture and Home Economics, University of Nebraska-Lincoln.

1955–63: Assistant for Home Economics to the Dean of Agriculture, and Chairman of the Home Economics Department, University of Vermont.

1950–55: Assistant Professor and Head of the Family Economics and Management Division of the Department of Home Economics, University of Nebraska-Lincoln.

1948–50: Instructor and Director of the Home Management Laboratory, University of Utah.

OPENING STATEMENT

Dr. TROTTER. Mr. Chairman and members of the committee, I am pleased to have the opportunity to discuss with you the proposed budget for the Office of the Assistant Secretary for Education for fiscal year 1976. The request contains three elements: (1) program support for the fund for the improvement of postsecondary education; (2) program support for the National Center for Education Statistics, transferred to this Office by the Education Amendments of 1974; and (3) salaries and expenses for these two operational programs and for the immediate Office of the Assistant Secretary for Education. This request for $42,834,000 for fiscal year 1976—an additional $14,174,000 over the comparable 1975 level—primarily represents an increase in support of the two operational programs of my office, including 41 new positions for the National Center for Education Statistics.

The Education Amendments of 1972 established an Office of the Assistant Secretary for Education to provide direction and supervision for the Education Division. Responsibilities of the Office include development of general policies within the Education Division, coordination of educational activities throughout the Federal level, and facilitation of two-way communication between the public and the Department on educational policy.

EDUCATIONAL POLICY RESEARCH CENTERS

In order to effectively handle the role of policy development, two Educational Policy Research Centers were transferred to the Office of the Assistant Secretary for Education from the Office of Education during the second half of fiscal year 1974. The two Policy Centers have fulfilled a unique role in my office as a resource for in-depth and sustained policy analysis, by providing timely information for policy decisions and anticipating information needs in education policymaking. Their products during the past year have helped clarify the complex issues surrounding the use of test scores for allocating title I funds and assisted in developing a practical means for implementing the new impact aid provisions. A minimal increase of $12,000 over the fiscal year 1975 level of $950,000 is being requested in fiscal year 1976 to offset rising costs.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

Another policy tool supported in my office is the Federal Interagency Committee on Education (FICE) set up by Executive Order 11761. The purpose of the committee is to facilitate coordination of educational activities of 30 Federal agencies, in order to identify the Nation's educational needs and goals and from time to time to make policy recommendations to the Department or the President. The Committee meets monthly to receive briefings on major educational issues, exchange information and review reports and recommendations from any of its eleven subcommittees. These subgroups deal with such areas as: graduate education, educational technology, education and work, educational consumer protection, minority education, and environmental education.

IMPROVEMENT OF POSTSECONDARY EDUCATION

The largest increases being requested for fiscal year 1976 in my office are associated with the two program areas of ASE. First, the Education Amendments of 1972 recognized that the "access revolution" of the 1950's and 1960's in postsecondary education had left a number of serious problems, and that postsecondary institutions needed encouragement and help in adjusting to the radically new conditions of the 1970's. In particular, it recognized that the Federal Government's continued massive investment in equalizing opportunities for access to postsecondary education required new Federal initiatives to assure that there would be, in fact, a suitable range of learner-centered, cost-effective programs which students could attend.

Accordingly, the act authorized, and the Secretary of Health, Education, and Welfare implemented, the fund for the improvement of postsecondary education, a foundation-type grant-making organization under the general supervision of the Assistant Secretary for Education. The fund is administered by a director and a small professional staff, and is responsive to a 15-member board of advisers.

Although the fund's projects have been in the field for only a short time, some for 20 months and most for only 8 months, there are early evidences of substantial success. These include:

New cooperative and contractual relations between institutions resulting in a more effective use of existing resources.

Newly developed programs that respond to the decreased employability of liberal arts graduates in today's labor market by providing simultaneously both a liberal education and an employable skill.

Educational delivery systems without fixed campuses offering new cost-effective services to adult and rural population.

Enrollment increases in private colleges attributable to attractive new programs and outreach efforts.

For fiscal year 1976, the fund is requesting a budget of $17,500,000, an increase of $6 million over fiscal year 1975.

NATIONAL CENTER FOR EDUCATION STATISTICS

Our second program, the National Center for Education Statistics, was established in my office by the Education Amendments of 1974 in order to provide the data base necessary for education policy formulation at any level of government. Functions include the collection of statistics on the condition of education in the United States and abroad, analysis of policy-relevant statistics, and the provision of assistance to State and local educational agencies in improving their statistical activities. The center consists of three programs: (1) Surveys and special studies—to provide time series and projection data for planning, policy, and administrative use; (2) Common core of data—to replace the currently inadequate provision for educational statistics with an integrated system to meet Federal, State, local, and institutional needs for planning and management; and (3) National assessment of educational progress—to collect data on the attainment of students in various age groups and to report changes in attainment over regular intervals.

In addition, a number of continuing activities and onetime studies and surveys have been specifically mandated by Congress. Of these, work has already been initiated on each of the continuing activities, including completion of the first annual report on the condition of education, which you have already received. Activities are also underway to ensure completion of the one-time studies. Several have been started during this current year including sex discrimination in education and safe schools, while several will be primarily conducted in fiscal year 1976 such as the bilingual education study and the measures of poverty.

One of the major initiatives for the Center in fiscal year 1976 will be an emphasis on the timeliness, accessibility and policy-relevance of data collected. This includes a fast response survey mechanism for planners and policymakers, increasing coordination of planning programs for policy orientation with Congress, the executive branch, chief State school officers, and others to shape future statistical programs, and utilizing the policy guidance of the Advisory Council on Education Statistics.

In order to implement these initiatives a total budget of $22,245,000 is being requested for the Center in fiscal year 1976. Of the $7,923,000 increase over the fiscal year 1975 comparable level, $6,100,000 will be necessary for program activities and an additional $1,823,000 for administration. The increase in administration is primarily associated with the request for 41 additional positions for the Center in fiscal year 1976. The additional staff will ensure that emphasis will be placed on the timeliness and policy-relevance of data collection.

At this point I will be glad to answer any questions.

TRANSFER OF THE NATIONAL CENTER FOR EDUCATION STATISTICS

Mr. NATCHER. Dr. Trotter, thank you very much. Two years ago the appropriation was around $2 million. Now it's up to $43 million, Dr. Trotter. I know there have been several programs transferred to this appropriation which, of course, was through no fault of yours.

First, I believe your Office now has the National Center for Education Statistics. Is that correct?

Dr. TROTTER. That is correct. The Center, transferred from the Office of Education to the Assistant Secretary's Office, represents a large part of the increase in our budget request.

Mr. NATCHER. This transfer took place as a result of the amendments last year?

Dr. TROTTER. That is correct.

Mr. NATCHER. That was the main reason why the transfer was made, was it?

Dr. TROTTER. The main reason that the transfer was made was to make the Center more responsive to all of the divisions of education. As a part of the Office of Education, the Center necessarily responded more to that one agency rather than to the National Institute of Education or the Fund for the Improvement of Postsecondary Education. What we really want to happen is for the Center to be responsible to Congress, more responsive than it has been, and also more responsible to the educational community. By putting the Center in an office where it can be responsive without prejudice to all of these areas really was a good step forward.

Mr. NATCHER. Will the transfer make any difference insofar as the National Center is concerned?

Dr. TROTTER. I think that it will. We are taking a very close look at where the Center is going and what it is doing. We hope to make it become even more responsive than it has been to the requests that are being made of it. The data collection is going to be timely. We are trying to set forward a program which will do what you would like for it to do.

NCES ADMINSTRATION

Mr. NATCHER. Do you still have an acting administrator?

Dr. TROTTER. Yes. This is Mr. Nassetta.

Mr. NATCHER. We are delighted to have you before us.

Dr. TROTTER. Dorothy Gilford, the previous administrator of the Center, retired in December. We are in the process now of looking for a new administrator. We have had names sent from the field. The job has been classified and has been posted. We are really moving along very fast with this appointment.

ADVISORY COUNCIL ON EDUCATION STATISTICS

Mr. NATCHER. What is the status of the Advisory Council on Education Statistics which was also created by last year's law?

Dr. TROTTER. The Council is in the process of being cleared by the Secretary.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

Mr. NATCHER. Mr. Michel?

Mr. MICHEL. Thank you, Mr. Chairman.

Dr. Trotter, as Chairman of the Federal Interagency Committee established to coordinate educational programs and policy, can you tell us what progress the committee has made thus far?

Dr. TROTTER. This committee presently has 11 subcommittees. I think you would be interested to know that we have just finished a report on consumer protection which has gone to the Secretary to be sent forward to the President. I feel that it is a report that has had the total cooperation of all the agencies.

There are about 30 member agencies which are a part of the Federal Interagency Committee. This really gives, I think, a strength and a perception to our total education program that you wouldn't have without this kind of coordination and cooperation.

We have just set up a new Committee on Environmental Protection and Education. This is one that has been received with great enthusiasm by the members of the committee. We are also in the process of setting up a program for education in work where all agencies will have an opportunity across Government, if they are interested in this—and there are many that are—to give some projection of where they see that we might be able to work together.

EDUCATION RESEARCH

Mr. Michel. I have been disturbed with this education research area. We are just getting so proliferated and there is too much overlapping.

Dr. Trotter. That is one thing that FICE has a mandate to do, to see where we are so there won't be any overlaps where we can coordinate and reinforce each other. This has an important function.

A 50-PERCENT INCREASE

Mr. Michel. You are proposing a $14 million increase in your budget, which amounts to an increase of 50 percent in percentage terms. How do you justify such a substantial increase at a time when there is an overall effort by the administration to hold down spending as much as possible?

Dr. Trotter. This really has to do with priorities we are setting for the education division. We are placing emphasis on areas that we think can be profitable to the entire educational community.

Mr. Miller. Also, Mr. Michel, I think you will be asking questions later on about this. This office is really three separate entities, two of which are operating programs. I think they are ready to justify their increases on their merits. To lump them all together and say $14 million is sort of like putting apples and oranges in the same barrel.

Dr. Trotter. Yes, the major portion of the increase is going to our two operating programs. I would like to have Virginia Smith for the fund and then Frank Nassetta for the NCES answer this question in more detail.

Mr. Michel. All right.

A $6 MILLION INCREASE FOR THE FUND

Ms. Smith. We are asking for a $6 million increase for the fund for the improvement of postsecondary education. We were at $11.5 million this year.

Mr. Michel. Is there $9 million for new project starts?

Ms. Smith. Yes.

Mr. Michel. Why are there so many new starts?

Ms. Smith. First of all, our total budget would be $17.5 million. Out of that, $8.5 million would be for continuing costs and $9 million would be for new starts. The reason why we would have so many new starts is in part because we do not make long-term continuing grants. We provide short-term grants. Actually, we are not being effective unless we have a fair turnover in the grant area, in part because of the increasing demand for our funds. In fiscal year 1973, we were able to make 1 grant for every 14 proposals submitted; in fiscal year 1974, it was 1 out of every 28; this year, it will be 1 out of every 60 proposals submitted.

We want new starts so that we can give the marginal money, the investment money that is needed to get improvements in place. Then presumably there will be other sources to provide continuing support. We look into the projects in order to determine that there will be other ways to carry on the financing after the Federal grants cease. It's our purpose, really, to make certain that the funds that we supply are to get improvements in place permanently, not just for experimental purposes, and to see to it that the Federal Government does not experience continuing rising cost in underwriting these projects.

EFFECTIVENESS OF COLLEGE PROGRAMS

Mr. **Michel.** $2 million of the new start money is budgeted for projects demonstrating improved approaches to the determination of quality and effectiveness of educational programs. The justifications further indicate that potential students, et cetera, want to know to what extent a specific program or institution is accomplishing its objectives and performing them effectively. Does this imply that you are going to get involved in the business of rating programs and institutions?

Ms. **Smith.** We will not actually do the rating at the Fund. We may provide, and will through this program, funds for the purpose of developing new rating approaches and new evaluation approaches. That is going on to some extent already.

For instance, if a student wants to know whether a program is concerned with providing an employable skill for him, he wants not only to know whether it provides an employable skill but whether there is actual job placement for graduates of that college. This might be one way in which we would urge institutions to see to it that they develop that kind of information and make it available to students. We ourselves will not do such ratings or reviews but we will encourage, and will provide funds for the development of new approaches to accreditation, new approaches to evaluation and new approaches to the provision of improved kinds of information for students.

MANDATED STUDIES

Mr. **Michel.** What portion of the $6.1 million increase for the National Center for Education Statistics is accounted for by the congressionally mandated studies and surveys?

Mr. **Nassetta.** I can answer that. The mandated studies represent $1,295,000 and the mandated activities about $1,600,000.

Mr. **Michel.** Could you list for us the studies and surveys and their expected completion dates?

Mr. **Nassetta.** Sure. We have a set of studies on bilingual education. There are three surveys that we are working on in that area. One of them is going to be an expanded current population survey of about 150,000 households. The cost of that survey is estimated to be $2,480,000. In fiscal year 1975 we are funding $730,000 in preparing for this large survey in the bilingual area. In fiscal year 1976, we will spend lesser amounts of money on sex discrimination in education and the safe schools study. We are not spending any NCES money on the poverty measures. We are just acting as consultants in that area. It is, nevertheless, one of the studies which we are working on. Three other mandated studies being worked on involve no NCES funds in the fiscal year 1976 budget. These are: the athletic injuries study; updating the number of children counted for ESEA, title I; and alternative methods for updating the bases of distribution of ESEA title I funds.

We are planning to spend approximately $200,000 in fiscal year 1976 in the impact aid area. Although it was not specifically mandated in the education amendments, this was included in the conference report as something that Congress felt we should do, so it is being treated as a mandated study. We will provide a more complete list of the mandated studies for the record.

[The list follows:]

List of mandated studies with completion dates

	Completion date
Study:	
Bilingual education	1st report, June 30, 1976. Final report, Feb. 1, 1978.
Measures of poverty	Dec. 31, 1975.
Alternative methods for updating the bases of distribution of ESEA title I funds	June 30, 1977.
Updating the number of children counted under ESEA title I	Dec. 31, 1976.
Impact aid	Not specified by legislation.
Sex discrimination in education	Feb. 20, 1976.
Athletic injuries	States report to HEW by Dec. 31, 1976.
Safe schools	June 1, 1976.
Activity:	
Condition of education report	Mar. 1 of each year.
Review and report on education in foreign countries	Continuing, ongoing activity without specified completion or reporting date.
Technical assistance to States	Do.
Specialized analyses	Do.
Consortium of Federal agencies	Do.
Confidentiality standards	Not specified by legislation.

STUDY ON IMPACT AID

Mr. MICHEL. How are you proceeding on impact aid specifically? What are you looking for?

Mr. NASSETTA. Right now we are in the process of negotiating with the Office of Education to modify the form or to send out a supplemental form to add some questions that would allow us to respond to the congressional mandate. The mandate, for example, specifically asks us to determine whether the parents of the children involved are civilian or are not civilian. That information is not now being collected, as it's not used to determine the allocations.

While we are waiting for that negotiation to be completed, we are taking advantage of the existing data to tabulate and respond to some of the requirements of the Act, specifically, tabulations of Federal property impacting these areas by type of Federal property and tabulations of pupils who live on Federal property, again by type of Federal property, and of per capita income per school district based on the 1970 census. Also, we are developing a plan to measure the economic impact of the presence of Federal property on the areas served by SAFA school districts. So far, a rough draft of a work statement has been prepared to design this study.

There are some activities we are already undertaking that aren't costing any contractual money; we are just taking advantage of the existing data. In the meantime we are planning next year to collect the additional data that we need to conduct the study.

[redacted]

Mr. MICHEL. Wasn't this kind of data available when we had the hearings and debate on the education amendments?

Mr. NASSETTA. This data is not collected by the National Center. The data I am referring to is collected by our program people but it had not previously been tabulated or analyzed in the way I described.

Mr. MICHEL. How many times do we want to do it? My own view is if something is available in one place, we ought to know where to go to get it and not pay for somebody else to look it up again.

Mr. NASSETTA. The States don't collect this information. As I said earlier, for example, the occupation of the parent is not included as part of the regular data collection. It's true that individual parents have to fill out on their forms where they work and sometimes their occupation. But since it's not used for allocation purposes, it might be considered too expensive and laborious to collect it without any specific mandate. So it hasn't been done in the past.

NCES PUBLICATIONS

Mr. MICHEL. According to the justifications, there has been an increase this year in the number of publications under NCES from 46 to 55. Is this good?

Mr. NASSETTA. Yes, I would say that it is. One of the complaints in the past about the Center has been that it hasn't been getting out its data fast enough. Actually, I now think our projection may be conservative because we have already made enough changes to speed up the publications process. Those projections may be underestimated. For example, this year we are already estimating that instead of 55 we may have 60 or more publications. What is happening is that we are publishing data that should have been gotten out earlier, that is, catching up on the backlog. Also, because of our new efforts on timeliness, we may be publishing in fiscal year 1975 some items we had scheduled for fiscal year 1976.

Of course, there is some expansion in our program, but that won't be reflected in our volume of publications until the following year. There won't be that many more new publications in fiscal year 1976 as a result of expansion of the program. There is a big lag between the collection of the data and getting the publications out, even when it's speeded up; however, we should not view the output of NCES as consisting merely of publications.

FORTY-ONE NEW POSITIONS

Mr. MICHEL. Are the 41 new positions you are requesting for the National Center for Education Statistics?

Mr. NASSETTA. That is correct.

Mr. MICHEL. Do we need that many?

Mr. NASSETTA. We certainly believe we do.

Mr. MICHEL. Why?

Mr. NASSETTA. First of all, I would like to say that the National Center for Education Statistics has been mandated by the Congress to do many new activities. Some of these new activities require some people. For example, the center has been criticized for not doing analytical work and for merely publishing descriptive data. We just have to hire some analysts. Even if you do the work on contract, you have to have some analysts to not only properly monitor contracts but also to do some analysis in-house. In addition we are asking for some positions to improve policy relevance of material.

CONTRACTING OUT

Mr. MICHEL. In addition to these 41 people, are you going to do something by contracting?

Mr. NASSETTA. Absolutely.

Mr. MICHEL. That doesn't show up in people. Where do you get the most for your funds—in people or in contracting?

Mr. NASSETTA. I believe it's a combination. The best use of the money is to have a combination of the two. If you go completely in one direction or the other you are bound to suffer. If you try to do everything in-house you don't have the flexibility that you need and you don't have the access to the kinds of people that you would like to have for particular efforts.

RECRUITMENT

Mr. MICHEL. Let's say the committee is very magnanimous here and goes along with your request for 41 new positions. Where do you find these people?

Mr. NASSETTA. Where do I find them?

Mr. MICHEL. Right.

Mr. NASSETTA. We recruit.

Mr. MICHEL. From where do you recruit them? Is it just somebody else down in the shop who needs an advancement in pay?

Mr. NASSETTA. No. First of all, they have to meet some very strict criteria. We advertise the position but we do have to give priority to Government employees. That is a civil service regulation.

Mr. MICHEL. Because of some of the statistics we get, I am inclined to think that sometimes bureaus of statistics become dumping grounds for people who couldn't make it someplace else. I am all for statistics and good information, but how can I be assured now you are going to have some 41 good, first-class people who will really be able to give us something worthwhile?

Mr. NASSETTA. I am not familiar with the kinds of operations you are talking about.

Mr. MICHEL. We have to look very skeptically at requests for increased personnel. This area just raises a natural flag.

Mr. NASSETTA. I think we have a good case to make. With your permission, I would like to talk about that a little bit more.

SMALL IN COMPARISON

First of all, I would like to make a comparison with our closest sister agency, which is the National Center for Health Statistics. It is concerned with collecting statistics in an area of the economy that is comparable in many ways with that of education, both in terms of the number of participants and the percentage of the gross national product. Yet that organization has three times as many people and four times as much money. That is just a rough indicator of how understaffed we are.

SPECIALISTS

Mr. MICHEL. Among these new positions are a couple of psychometricians and an econometrician. What are they?

Mr. NASSETTA. An econometrician is an economist who is statistically oriented. He has a lot of statistical background and is oriented toward the quantitative aspects of economics. This is a skill which is very important in our work on such problems as cost of instruction or financing education.

Mr. MICHEL. Is there a job description for this job in the Federal Register someplace?

Mr. NASSETTA. I am sure there is. A psychometrician is an expert——

Mr. MICHEL. I don't want to infringe any more on the chairman's magnanimity here, but you expand your responses to that question on the record.

[The information follows:]

PSYCHOMETRICIAN

A psychometrician is an expert in educational and psychological testing, as well as in statistics and research. These skills are necessary for studies involving student abilities, and in assessing the outcomes of education.

SURVEYS AND SPECIAL STUDIES

Mr. NATCHER. Dr. Trotter, you are requesting an increase of over 50 percent for surveys and special studies. You say that part of this increase is for the special studies required by the education amendments of 1974, such as studies for bilingual education, the impact aid program, and condition of education. What about the current studies relative to bilingual education? You have such studies, don't you?

Dr. TROTTER. The statistical bilingual studies are part of the program of the National Center for Education Statistics. This is a program that we have begun and are continuing into this next year.

Mr. NATCHER. How much do you plan to spend on the bilingual study?

Dr. TROTTER. Do you know how much that is?

Mr. NASSETTA. Yes. It's a total of $2,480,000 in 1976.

EDUCATIONAL POLICY RESEARCH CENTERS

Mr. NATCHER. You are requesting nearly $1 million for educational policy research centers. How many of these centers will there be?

Dr. TROTTER. Two centers.

Mr. NATCHER. How long have they existed?

Dr. TROTTER. They have existed since 1968 and were transferred into ASE last year. Prior to 1974, they were monitored by the Office of Education.

Mr. NATCHER. Briefly tell us what they do, Dr. Trotter.

Dr. TROTTER. The centers provide analytical support to my office, particularly in areas such as new policy and program development. The major substantive areas covered by the two centers are: Education of the disadvantaged, postsecondary education, school finance, and desegregation.

We are trying to get background that will help us understand some of the policy decisions that have to be made for the Division of Education. These centers are very helpful in giving us the background information which will help us make decisions.

Mr. NATCHER. Dr. Trotter, it sounds as if some of the activities are precisely the kind of work which should be done by the National Institute of Education. Why not transfer these policy centers to that Agency?

Dr. TROTTER. The fundamental difference is that these centers are responsible for conducting policy analysis to support policy issues faced by the education division leadership during the short term, while NIE is charged with longer, more basic research questions.

COMMON CORE OF DATA

Mr. NATCHER. The requested $1.6 million for common core of data would more than triple the present size of the program. You say that this program is designed to fill the current gaps in educational data. Exactly what kinds of gaps do you have in mind?

Dr. TROTTER. In the data core, we have been doing the planning to collect issue-related data on elementary and secondary school children. This is going to be expanded into the postsecondary program. Frank might like to enlarge upon this.

Mr. NATCHER. You go right ahead and enlarge.

REQUEST FOR FISCAL YEAR 1976 INCREASE IN CCD BUDGET

The substantial increase in the CCD budget request—from $475,000 in fiscal year 1975 to $1,665,000 in fiscal year 1976—reflects two factors:

First. Public Law 93-380 mandates NCES to provide assistance to State and local agencies for the improvement and automation of their own statistical and data collection activities. Based on a study of assistance needs being conducted at the present time, the Center will use $615,000 of the requested fiscal year 1976 amount for specific assistance projects such as conduct of workshops and training programs for State and local personnel, and contracting with State or local agencies for the accomplishment of specific systems improvement objectives. These objectives might include installation of forms management procedures; development of data collection, editing, and reporting modules to meet the requirements of the Division of Education annual data plan in a timely manner; development of methodologies for accessing the proposed elementary-secondary Federal core data; installation of a data acquisition plan for local agency reporting; and installation of integrated State-local networks. It is important to note that the study is geared to the totality of State and local needs, not just to the needs for Federal reporting.

Second. Planning for the statistical cores of data for elementary-secondary education has been completed; a feasibility study was done in fiscal year 1975. A full field test will take place in fiscal year 1976. Based on an issue analysis completed in fiscal year 1975, a project to describe the Federal core of data elements for the postsecondary sector will be undertaken in fiscal year 1976. In addition, plans will be developed for assessing capabilities of postsecondary institutions to provide data for the proposed core.

TRAVEL REQUEST

Mr. MICHEL. Dr. Trotter, I note there is a substantial increase in travel and transportation costs for your office of $137,200. I have been going through some of these other justifications. I am reminded that even over in the Department of Defense, that for five people whom we thought we were going to be able to have out for a conference paid for by the Government, the order went down to cut travel, to cut costs. So they can't make it. I wonder, in our shop, why there is this kind of increase. Give me a justification.

Dr. TROTTER. All right. The main increase is associated with the NCES program—first, because of the 41 new positions being requested; second, because of new programs being initiated; and third, because of new emphasis on existing programs. Also a small portion of the increase in the travel request is associated both with travel for my office, which brings it back up to the 1974 level, and with some projections of inflation.

Mr. MICHEL. I know there is a little bit of inflation involved. But if you add funds for inflation, then the travel would be just as much as it was in the past. I thought the general admonishment in the departments was to cut down on travel. You don't need to meet as many times as you do. You can do just as much on the phone by a simple call. I must be just as rough on you as I am on others who come before this committee.

Dr. TROTTER. That is perfectly all right.

We also have the mandated studies which means we are going to have to have travel. A good share of what we do with travel we couldn't do without. There is no way you can collect data without travel.

Mr. NASSETTA. An element of the increases is attributable to providing technical assistance to States, which is also a mandate of the Education Amendments. In order to do that, you need to have people get out and visit the States.

RESULTS OF FUND PROJECTS

Mr. MICHEL. Dr. Trotter, this Fund for the Improvement of Postsecondary Education is only 2 years old. Is it too early to tell whether these projects are working?

Dr. TROTTER. No; I don't think it's too early at all. And they are working. I would like Virginia Smith to elaborate on this.

Ms. SMITH. We have funded 160 projects by now. Our projects are relatively small investments, with the average size around $80,000. Of these projects, we are beginning to get results from some of them that are rather interesting. For instance, in the Associated Colleges of the Midwest, there is a consortium of small liberal arts colleges. They were concerned about the fact that they were not able to provide occupational education along with liberal arts education. Rather than building that capacity on their own campuses in a costly way which would have been difficult, through the Associated College of the Midwest they coordinated with Rush Medical Center and created a medical nursing option for their students which really has expanded the potential for enrollment in those schools. And in fact they have increased their enrollment as a result of the presence of that option. The interesting thing is that it was a small grant, about $41,000, and it was a 1-year grant. Now there is no further need for Federal funds. It was the marginal money necessary to put the program into place. They are continuing to get increased enrollment, and continue to have this as an additional option.

In other schools, and again let's just look first at the liberal arts private colleges, adults are interested in education. Private colleges are interested in enrollment. But often the private college doesn't have exactly the kind of program or the knowledge needed to get that adult into his institution.

We have funded some very interesting projects in this area. One college was a women's college near an urban area which had traditionally served college-age women in residence. It decided it would attempt to change its campus so that at least 50 percent of its enrollment would be over the traditional age, 25 or older, and be commuter students. With a small grant from us for a limited period of time they were able to increase their enrollment 37 percent.

In another situation, a university decided to have a special program for adults. When they started the project supported by our grant, they had 29 adults enrolled in the program. They increased it within the first year of the program to 345 adults. They project somewhat further increases. The more interesting thing about that project is that they now have adults in daytime classes. Before, they only had them in evening classes. They are now able to use their facilities much more effectively than they have in the past.

In other situations we have taken consortia that have existed and helped fund new projects at those consortia. For instance, the Five Colleges, Inc. consortium in Massachusetts is now jointly hiring faculty. It is particularly interesting because this is a private-public consortia. Those schools are now cooperating for the purpose of hiring four faculty members, which increases the capacities of those institutions in ways which they simply could not for financial reasons do by themselves. The institutions have cross-registration so again the students at any campus will have the advantage of all those four faculty members.

Mr. MICHEL. What are those institutions? They are probably up in Mr. Conte's district.

Ms. SMITH. Yes, they are. They do happen to be. They include the University of Massachusetts, Hampshire, Amherst, Mount Holyoke and Smith Colleges.

Mr. MICHEL. Please expand this for the record and include several others.

[The information follows:]

OTHER EXAMPLES OF FUND PROJECTS ATTAINING EARLY IMPACTS

The budget justification for the fund program includes descriptions of three additional projects which have achieved promising early results. Those projects involve a State-supported, alternative community college in New Jersey; a State higher education system; and an urban 2-year college in California.

In addition, the following are examples of other types of projects which have achieved admirable results:

> Successful implementation of community-based educational programing via cable television located in Montana and Ohio; the latter service has now been extended to western Kentucky and eastern Indiana. After 18 months of support from the fund, both are now fully operational, providing a range of services to their communities.
>
> After 2 years of support from the fund, two colleges serving native Americans with centers, located in reservations, have secured local funding to fully continue these services after termination of Federal support. These projects are located in Arizona and Nebraska.

[redacted] 2 20

FUND SUPPORT FOR PRIVATE COLLEGES

Mr. MICHEL. We are told that private colleges are in serious trouble due to the decline in enrollment and revenues. What can the Fund program do to assist this sector?

Ms. SMITH. Some of the examples I have given indicate some possibilities for that. That is, modifying their programs in order to meet the new clienteles that are available. In addition to that, I think if they can get a better sense of what their unique strengths are and make it clear to students who might be interested in that uniqueness, it's possible for them to increase their enrollment.

It's also possible, through some of these collaborative efforts that I have indicated, for them to have better use, a really much more effective use, of resources than they have in the past.

One thing also that is possible is a kind of contracting arrangement. Of course, that was true in the associated college, but it can be done in a variety of other ways. If what you want is to increase vocational options along with liberal arts options in a college, a liberal arts college might contract with a private trade and technical school, or a 2-year vocational institution might contract with a 4-year liberal arts public institution. We have projects which do just that. In one State, Arkansas, we have a situation in which private resources are included along with public resources so that the private college resources are probably used more than they have been in the past for the purpose of getting an integrated career and occupational program available for the students in that area.

In Ottawa University in Kansas, for instance, it was possible by a change in their educational approach to increase their enrollment 30 percent in 1973, just a year after a rather large tuition increase. It looks as though they are going to have 30 percent more applications in this year.

In another situation, it was possible to increase giving to a private, small liberal arts college in Kansas that had a new program which was concerned with career training. They increased their enrollment a great deal but they also excited their alumni so much about their program that they had an unprecedented increase in donations to that institution that year.

It is often thought that one has to give more money constantly to institutions in a kind of underwriting of their operational expenses. We feel that a more important activity is to provide investment funds for them to really examine their situation and see how they can develop a better basis for encouraging enrollment to come in, or a better organizational basis for sharing of resources. We think those strategies can work.

CONTINUATION OF PROJECTS AFTER FUND SUPPORT

Mr. MICHEL. Have several of these projects been going long enough where the Federal funding has been eliminated or terminated? Do they go on after the Federal funding isn't there anymore?

Ms. SMITH. Two of the projects I mentioned already have continued without Federal funding. They were short term. Since we have only been around 2 years, there aren't too many projects that have reached that stage. But in every application we get, where it looks as though it's going to be an additional service rather than a substitutional service, we ask where the outyear funding is coming from. For instance, in one case, we were supplying funds for a community-based college in Vermont. When other funding ran out, they came to us. So we said to them, "Fine, we will give you an additional grant but only if you can begin to think in terms of where the money is going to come from after a couple of years with us." We want this to be an improvement in place, but we don't want to keep underwriting that with Federal funds.

So they did start making contact. It is now a State college and there is now a bill before the State legislature to provide it with the needed out-year funding. They are also beginning to build in business in a way that makes it possible for them to get some of their instructional fees from students on a sliding tuition scale which is in terms of the ability of the student to pay.

There are two features in that project that are built into a lot of our programs. One is the concern for user fees where that is possible, often on a sliding basis, and also the concern for getting permanent funding from some other source, after our period of support.

NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

Mr. MICHEL. Let me move on here now to another item in regard to the national assessment. You have asked for quite a significant increase. Do you expect it to continue forever? What do you get financially?

Dr. TROTTER. This is an ongoing program; we do expect it to continue.

Mr. NASSETTA. The fiscal year 1976 request represents an increase of $8½ million to bring it back to the funding level of 1971 and 1972. The requested increase is going to allow us to continue to collect data on the four age groups so that the change data on performance can be gathered. The value of national assessment lies in reporting trends and getting information on the outcomes of education. We expect it to continue so we can chart the educational progress or decline particularly for those subgroups of the population for whom much Federal funding is targeted. This project is giving us a national picture on disparities in subgroup performance.

NATIONAL LONGITUDINAL STUDY

Mr. MICHEL. What type of information will the National Longitudinal Study provide that is not readily available from other sources of data?

Mr. NASSETTA. We just had the first followup of our base-year collection of data, and, as a result, we are able to provide information on background and plans in relation to later activities—work or education. Specifically, in answer to your question, I might note that we have data on the need for vocational education and the subsequent activities of people who had aspirations to go into a field based on the vocational training. In other words, we have collected data in the graduating class of 1972 from people who were in vocational programs; now a year and a half later, we're asking, are you working in the field you were trained for, and if not, what are you doing, and how come? That is the kind of thing you can get only by following somebody along and then relating this to what they said originally, and the aspirations they had to start with, which are not accurately collected on a retrospective basis.

Mr. MICHEL. Has this been in place long enough to get answers to that situation you just described?

Mr. NASSETTA. Yes, that is something we have done already. The second followup is now in process, and we are planning the third followup for next year. This third followup represents a critical transition period from undergraduate education to graduate education, a working career or both. It is a 6- to 8-year program that will provide a rationale for the educational and career paths pursued by these young adults.

Mr. MICHEL. You have spent about $5 million on it?

Mr. NASSETTA. About five altogether.

Mr. MICHEL. How much longer is it going to run, really?

Mr. NASSETTA. It is planned as a 6- to 8-year program, and by the time we are through, it will cost about $15 million total.

Dr. TROTTER. It will give us a pattern of who drops out, what kind of jobs they go into, so that we can see what the patterns of high school graduates are, where they might go, and it gives us much more information than we would ever have an opportunity to have otherwise. Again, this is something we need in order to do Federal programs and legislative planning.

Mr. NASSETTA. We have spent about $5 million and our projected total over 6–8 years is $15 million.

PLANS FOR A NEW LONGITUDINAL STUDY

Mr. MICHEL. Why, in the fiscal year 1976 budget is there $340,000 for the new National Longitudinal Study Survey?

Mr. NASSETTA. The $340,000 is for planning a new 6- to 8-year project, based on a new high school class.

Mr. MICHEL. Before we get done with the one we are in?

Mr. NASSETTA. Well, there will be some overlap but not too much. Planning and field testing of new procedures would take place next year, but we will not actually start then. We may work with the graduating class of 1977 so that that would be 5 years after the first class we studied or perhaps even wait for the class of 1978. We are not sure yet. But in any event the other study would be almost over. Many changes have occurred; for example, the unemployment picture has changed, the draft is no longer in existence, new Federal programs of student aid are in place, so that there are good reasons why we should start another one.

When we first started this project, there was a lot of concern because we projected doing a new cohort—a new group—only every 5 years. It was felt by many people that we should be doing it more often than that. Now it looks like we are not going to be able to meet the 5-year goal. It will probably be 6 or more years.

TIMELINESS OF THE STATISTICS

Mr. MICHEL. This reminds me of the request for money to revise the Consumer Price Index. You are a statistician. You know what is involved. It disturbs me because by the time the statisticians go through all the interviews and all the other rigamarole you have a whole brand-new set of circumstances again.

Mr. Nassetta. That is true, but in the meantime, we are collecting data about individual students and other young people not in school in other ways. For example, we collected some data in cooperation with the Census Bureau in spring 1974 so it is not entirely a question of having to wait 5 years. Certain kinds of data, however, are not collected reliably on a cross sectional basis, so we must also have a program of longitudinal studies.

DISSEMINATION

Mr. Michel. What mechanism is there for the distribution and dissemination of the significant findings that come to light, so that the people really get to know about them, so adjustments can be made? Does that only come by some official fancy report you come up with?

Mr. Nassetta. No; as a matter of fact, I am glad you asked that question, because we have very recently changed our orientation toward reporting our information. Originally our orientation was toward the report, the printed document with the cover on it produced by the GPO. The computer tapes that we use to produce tabulations and other statistics were considered a step to getting that publication. Now we consider the tape an end-product of its own.

The tape is available much, much earlier, sometimes as much as 1 year or 18 months before the publication is available. We have also emphasized the importance of releasing data earlier in many other ways besides the tape, because everybody obviously doesn't have computer tape facilities.

There are other programs we have undertaken such as releasing reports without any narrative, for example, just publishing the tables. In fact, that vocational-education information I referred to earlier in connection with the longitudinal study was released in the form of tables without covers to the people within OE who need it most. They have been distributing it throughout the country.

In addition, we have established an on-line computer system, and there are many people who have access to data in this form. Data is being made available on line at the computer terminal on an interactive basis; that means you can talk back and forth to the computer, so to speak, and not have to wait at all. We put data into this system as soon as we have it, even before we finish editing it.

In other words, in the past, our orientation was toward polishing the data to the point where we were comfortable with it, and then releasing it. Now we are releasing it earlier with some cautions, telling people to be careful because this data hasn't been checked out completely. For perhaps 90 percent of the people this is good enough.

Mr. Michel. I am glad to hear that. Too often we have to wait for information to be finely tuned and perfectly presented before we can begin to take advantage of it.

Thank you, Mr. Chairman.

DURATION OF FUND PROJECTS

Mr. Natcher. Dr. Trotter, we want to take up the fund for the improvement of post-secondary education.

Of the $17.5 million you are requesting for improving post-secondary education, about half is for continuation awards.

How many years may an institution receive funding for a project under this program?

Dr. TROTTER. I would like Mrs. Smith to respond.

Ms. SMITH. The longest we have ever funded a project is for 3 years. We don't have an absolute limit on that, but that has been our policy and our practice.

Mr. NATCHER. All right. Can you tell us how many projects were completed last year?

Ms. SMITH. In our first year of funding, there were 26 projects that were of approximately 1 year's duration.

FUND STRATEGY FOR DISSEMINATION

Mr. NATCHER. Now, how do you intend to disseminate the results of your contracts?

Ms. SMITH. We use a dissemination process which turns to the forums that the practitioner has already turned toward. For instance, it seems to us that rather than putting out reports that might sit on shelves, it is important to get the results of the projects right into conferences and journals that the professors are already looking at or the academic administrators or the presidents of institutions are attending.

We have attempted to work with national conferences and national journals, in order to get the material right in those platforms and in those journals. By doing that, we feel we are not spending a great deal of money, but more important it is a means of dissemination which puts quickly into the heads of our constituency the kinds of ideas and the results of projects that have been tried and have succeeded.

RELATIONSHIP TO HEA TITLE I

Mr. NATCHER. It seems to me that some of the areas you intend to focus on could be covered under other programs. For example, you plan to work on programs and services more responsive to the need of working people, older adults, and professionals.

Now, Dr. Trotter, wasn't title I of the Higher Education Act already performing these services?

Dr. TROTTER. That really targets on continuing education programs while the fund supports a much wider range of educational programs.

Ms. SMITH. There are some programs that might conceivably be funded under title I. There is a difference in our program in that the mandate given to us under section 404 is very broad. We don't have to focus on particular kinds of programs. For instance, at the very same time that an institution is developing a program for adults, they may also be improving other elements of their institution and in that way there is no fragmentation of the activity that they are engaging in.

The fund isn't a categorical program; it is a broad program in which the institution may actually have an overall strategy for the improvement of the learning situation for the learner.

For instance, we have one program in Michigan that attempts to completely reorganize the curriculum along self-paced and completely portable lines so there is continuous registration; there is a possibility for entire self-pacing and independent study as well as periodically scheduled seminars.

Because of the total approach to that program, it is useful for adults but also extremely useful for students that are in the college. This is a cluster college within a large State system, and it is possible for students in other colleges to come and take courses if they are having difficulty with particular subjects.

We are meeting many needs simultaneously and not focusing on just the need of the adult learner or a particular program, but we can look at the whole problem of the institution.

SUPPORT FOR NURSE TRAINING

Mr. NATCHER. Why is it necessary for you to support projects which relate to the training of nurses when there is a sizable sum of money appropriated each year to the public health service for this purpose? Can you give us a real good answer on that one?

Ms. SMITH. Well, I can try.

Mr. NATCHER. Go right ahead. We are going to listen.

Ms. SMITH. We are not concerned with subject matter as such. But you can't have an educational program which is not based on subject matter. When we support a program for nurses, which we did in a program that I just mentioned earlier, through the Associated Colleges of the Midwest, it isn't because we are attempting to promote nursing education per se, but we are seeking a new kind of linking arrangement which is important for private liberal arts colleges to know about so they can more effectively get that kind of training as well as other kinds of occupational training into their programs.

We just happened to do it in that case with nurse training. We could also do it with any other kind of occupational training now that we know how it works in that area.

FUND COORDINATION WITH OTHER AGENCIES

Mr. NATCHER. Explain to the committee how you coordinate your efforts with the other agencies of HEW in order to avoid duplication of efforts and expenditure. How do you bring this about?

Ms. SMITH. Well, there are several ways in which we bring it about. Let me give you three or four specific examples. We started showing interest in competency learning in the spring of 1973, when our program started. NIE is now also interested in that area, as is OE, through its teacher education programs, although in a fairly confined area.

We now have a task force established so that all of our program plans are shared within this task force, to insure that we are not duplicating each other's approaches. That task force is functioning in place, right now, and will affect our choices of projects the next year as well as NIE's choices of projects.

In addition, in terms of duplication of funding, which is a little different from planning activity, it is possible that a program will put an application in not only to us, but to another agency in the Government for some part of the program. We do not fund a program until we check with other possible agencies, not only Government but private foundations to see whether funding has been given to that institution for the same program or any part of the same program.

In addition to that, we often check just to see what total kind of grant funding is going to an institution because there is nothing more devastating to the vitality, the future vitality of an institution, than to have too much money flowing into it at one particular time, even if it is for other projects. It is hard for that institution then to get back to a more reasonable level of fiscal support.

ROLE OF BOARD OF ADVISERS

Mr. NATCHER. In your statement you referred to a board of advisers. What is the purpose of this board?

Ms. SMITH. The board of advisers was established to help us develop policy and also to review specific grants of a certain nature or certain size. It is half a lay board, and half people from various fields of education. It provides us with a closer link with the field, more responsiveness in terms of the kind of directions our programs should take and also some specific hardheaded looks at the projects that we have had selected by our review process for funding.

Mr. NATCHER. Now, at this point in the record, if you will, supply the names of the 15 members now serving on the board.

Dr. TROTTER. We will be happy to do that.

[The information follows:]

MEMBERS OF THE BOARD OF ADVISERS TO THE FUND

Robert A. Anderson, 54, is a partner in the law firm of Anderson, Byrd & Richeson. He is currently serving as chairman of the executive committee of the board of trustees of Ottawa University, Ottawa, Kans. He is a member of the American Association of College and University Attorneys. Mr. Anderson is a former chairman of the Kansas State Board of Social Welfare, Regional Medical Programs Board, and Kansas Health Planning Council. He served as chairman of the ways and means committee of the Kansas House of Representatives, on the legislative council and on the State finance council while he was a member of the Kansas Legislature for 8 years.

Lewis Butler,[1] 48, is adjunct professor of health policy at the University of California, San Francisco. He served from 1969 to 1971 as Assistant Secretary of HEW for Planning and Evaluation. He has been a regents professor at the University of California, and a member of the technical advisory committee to the Carnegie Commission on Higher Education. He received his LL.B. from Stanford University and was a practicing attorney in San Francisco. He established and served as director of the Peace Corps program in Malaysia from 1961 to 1964 and is a member of the recently appointed San Francisco Public Schools Commission.

Richard W. Couper, 52, is president and chief executive officer of the New York Public Library. Mr. Couper received a B.A. from Hamilton College and an M.A. in American history from Harvard University. He has been involved in college administration at Hamilton College, and, from 1969 to 1971, served as Deputy Commissioner for Higher and Professional Education in New York State. Mr. Couper has served and is serving as a trustee, director or adviser on a series of social and higher education boards, including trusteeship on the boards of Hamilton College, Wesleyan University, and the Link Foundation.

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[1] Chairman.

Ralph Dungan, 51, is chancellor of higher education of the State of New Jersey. He received his B.S. from St. Joseph College, Philadelphia, and his M.S. in public affairs from Princeton University. He has serevd as legislative assistant to Senator John F. Kennedy and special assistant to President Kennedy. Mr. Dungan is a former U.S. Ambassador to Chile and is a member of the Council on Foreign Relations.

Laurence Hall, 34, is associate dean and director of the Media Center at the School of Social Service Administration, University of Chicago. Mr. Hall has served as a staff development consultant for the State Department of Social Services in Colorado, as lecturer for the University of Colorado and Loretto Heights College in Denver, and as a caseworker for the Summit County Child Welfare Board, Akron, Ohio. Mr. Hall holds a B.A. from Baldwin-Wallace College, Ohio, and M.S.S.A. from Western Reserve University, Ohio, and is a doctoral candidate at the University of Chicago.

Elizabeth Johnson, 61, is the senior member of the Oregon State Board of Higher Education as well as a member of its executive committee. She has also been appointed to the statewide educational coordinating council. Mrs. Johnson is a member and chairman-elect of the board of directors of the Association of Governing Boards of Colleges and Universities. She serves as chairman of the advisory committee to the steering committee of the State higher education executive officers' project, under the education commission of the States. She is a member of the board of trustees of Pacific University and of Pacific's committee on optometric education. Mrs. Johnson holds a B.A. from Miami University (Ohio), and M.A. from Wellesley College and has done graduate work at the University of Chicago. During World War II, she served as a naval officer. She is active in local and State civic, educational, and philanthropic organizations.

Gail Levin, 37, is a city commissioner for Dayton, Ohio. She attended Bennington College, Ohio State University, and the University of California at Los Angeles. She has served as president of the Dayton League of Women Voters and chairman of that league's education committee. She is presently a member of the Ohio Commission on Public School Personnel Policies, the Public Opinion Center, and the Community Advisory Committee to the Business School of Wright State University.

Patricia Locke, 47, is director of planning resources in minority education with the Western Interstate Commission for Higher Education. She received a B.A. in education from the University of California at Los Angeles, where she also did graduate work at the School of Public Administration. She has been associated with American Indian education programs at Alaska Methodist University, San Fernando Valley State College, and University of California at Los Angeles. Ms. Locke is a member of the executive board of the National Indian Education Association and is vice president of the Indian Centers Development Asosciation. Ms. Locke has acted as consultant to numerous tribal and intertribal councils, and to various professional and educational organizations.

James Lucas, 47, formerly the speaker of the Montana House of Representatives, is the senior partner in the law firm of Lucas, Jardine & Monaghan in Miles City, Mont., and is also a member (and former president) of the University of Montana Foundation Board of Trustees. Mr. Lucas received a bachelor of arts degree in business administration in 1950, a bachelor of arts degree in 1951, a bachelor of law degree in 1951, and doctor of jurisprudence in 1970. Mr. Lucas is also active in numerous professional, civic, educational, and philanthropic organizations, and a member of the board of trustees of the Montana Educational Broadcasting Commission.

G. Theodore Mitau, 54, is chancellor of the Minnesota State College System (since 1968). Dr. Mitau received a doctor of philosophy degree from the University of Minnesota in 1948. He has served as chairman of the Political Science Department at Macalester College, as consultant to various Federal and State commissions, and is the author of many works in political science and public law.

Frank Newman, 48, is president of the University of Rhode Island, Kingston, R.I. He hold a masters degree in science from Columbia University. From 1969 to 1974, he was chairman of an HEW task force on higher education. During its existence, the task force issued two reports which have strongly influenced innovation in higher education. Mr. Newman has also been a faculty member for the last few summers at the Danforth Foundation Workshop on Liberal Arts Education and at the Institute for Educational Management, Cambridge, Mass.

Grace Olivarez, 46, is State planning officer, State of New Mexico. Ms. Olivarez holds a doctor of jurisprudence from Notre Dame Law School. She has been a consultant to the National Urban Coalition and to the mayor of Gary, Ind., and has had considerable experience in projects concerned with minority education and employment. Ms. Olivarez is the recipient of numerous public awards, and has served as vice chairperson of the President's Commission on Population Growth and the American Future.

Lois Rice, 41, is vice president of the Washington office of the college entrance examination board. She holds a B.A. from Radcliffe College and was a Woodrow Wilson fellow at Columbia University. Ms. Rice has been a consultant to the Brookings Institution, the Ford Foundation, and to the Bureau of Higher Education, Office of Education. Ms. Rice is a trustee of Radcliffe College and a member of the Carnegie Council on Policy Studies, and a director of several educational and local community service organizations.

Beryl Robichaud (Mrs. Arthur Collins), 56, is senior vice president for Corporate Management Information Services, McGraw-Hill Co. She received a B.A. from Mount Holyoke in 1940, and a Ph. D. from Rutgers in 1971, where she now serves as an associate professor of the graduate faculty and a research associate in the Institute for Environmental Studies. She is a trustee of Mount Holyoke and Rider Colleges and currently serves as a member of several corporate boards of directors, commissions of the New Jersey Department of Higher Education as well as on a National Institute of Health Science Information Advisory Board. She has also authored three books in the fields of environmental science, computers, and business management.

John Charles Thomas, 24, is a third year law student at the University of Virgina, Charlottesville, Va. He served on the Virginia Commission for Children and Youth, and was cochairman of the National Task Force on Education at the White House Conference on Youth. He is now serving as a member of the staff of the special counsel to the president of the University of Virgina, and legal adviser to the rector, and board of visitors. Mr. Thomas is also a graduate adviser for first year students at the University of Virginia, and a tutor in the law tutorial program.

RECEPTION FUND

Mr. NATCHER. Let's take up the appropriation language we have before the committee. You are proposing appropriation language allowing the use of funds for reception and representation expenses. There is no legislative authority for this kind of expenditure, so you will have to give us a right good justification to approve this request. How were you able to get this by this year without authority?

Probably Mr. Miller will want to try his hand on this.

Mr. MILLER. We are simply following a longstanding practice, Mr. Chairman. We have always been able to obtain representation funds through this kind of language. Last year, as you know, it was challenged on the House floor, and all of the entertainment funds were deleted. Ultimately we ended up with some for the Office of the Secretary in the conference report. We have not felt it advisable, given the heavy legislative business of the Congress, to go up for separate legislation, and we are simply asking the Appropriations committee to do it again.

I certainly think on the merits of it there is no question. I think for us to try to have as many visitors as come to HEW from foreign lands and elsewhere, to have absolutely no money with which to entertain them is wrong, but I realize the committee is going to have a hard time.

Mr. NATCHER. I yield to Mr. Michel. Any additional questions?

Mr. MICHEL. No; I just about covered the waterfront.

Mr. NATCHER. Dr. Trotter, we want to thank you and your associates for appearing before this committee.

JUSTIFICATION OF THE BUDGET ESTIMATES

Appropriation Estimate

Salaries and Expenses

For necessary expenses to carry out [section 402] *sections 402, 404, and 406*[1] of the General Education Provisions Act, [$2,307,000] *$42,834,000, of which not to exceed $1,800 may be for official reception and representation expenses*.[2]

[Improvement of Postsecondary Education]

[For carrying out, to the extent not otherwise provided, section 404 of the General Education Provisions Act, $11,500,000.]

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, $5,599,000; of which not to exceed $400 may be for official reception and representation expenses.

Explanation of Language Changes

1. The Fund for the Improvement of Postsecondary Education, section 404, and the National Center for Education Statistics, section 406, have been incorporated into this appropriation for Salaries and Expenses for the Office of the Assistant Secretary for Education.

2. Language has been added to provide for official representation costs.

Language provision	Explanation
"...of which not to exceed $1,500 may be for official reception and representation expenses."	There is no authorizing legislation for this provision. However, as spokesman for the Department on educational affairs, the Assistant Secretary for Education is frequently involved in receptions for officials of the educational community. This language would provide a minimal allowance for such costs for the Assistant Secretary for Education, the Commissioner of Education, and the Director of the National Institute of Education.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

EDUCATION DIVISION

Office of the Assistant Secretary for Education
Salaries and Expenses

Amounts Available for Obligation [1/]

	1975 Revised	1976
Appropriation..	$13,807,000	$42,834,0
Proposed pay supplemental transfer..................	56,000	---
Subtotal, adjusted appropriation..................	13,863,000	42,834,000
Comparative transfers from:		
"Salaries and expenses, Office of Education" (National Center for Education Statistics, including proposed pay supplemental transfer of $127,000 transferred to the Office of the Assistant Secretary for Education)..	12,817,000	---
"Salaries and expenses, Office of Education" (Transferred to the Office of the Assistant Secretary for Education for the Educational Policy Research Centers)............	475,000	---
"Salaries and expenses, Office of Education" (Transferred to the National Center for Education Statistics for Congressionally-mandated studies)...............................	775,000	---
"Elementary and Secondary Education, Office of Education" (Transferred to the National Center for Education Statistics for Congressionally-mandated Bilingual study)........	730,000	---
Total, obligations..................................	28,660,000	42,834,000

1/ Excludes $461,000 from restoration of the 1973 appropriation in fiscal year 1975.

Summary of Changes

1975 Estimated obligations..	$28,477,000
Plus: 1975 Proposed pay supplemental transfer........................	+183,000
Subtotal, 1975 Revised obligations...........................	28,660,000
1976 Estimated obligations..	42,834,000
Net change..	+14,174,000

	1975 Base		Change from Base	
	Pos.	Amount	Pos.	Amount
Increases:				
A. Built-in:				
1. Annualization of increased pay costs......................	---	$ 183,000	---	$ +161,700
2. Annualization of increased health benefits..............	---	---	---	+22,800
3. Annualization of new positions.	---	---	---	+587,700
4. Within-grade increase..........	---	---	---	+36,500
5. Extra paid day.................	---	---	---	+22,200
6. Rent, communications and utilities.....................	---	144,500	---	+235,500
Subtotal.....	---	---	---	+1,066,400
B. Program:				
1. Fund for the Improvement of Postsecondary Education......	---	11,500,000	----	+6,000,000
2. National Center for Education Statistics:				
(a) Surveys and Special Studies..................	---	5,590,000	---	+3,410,000
(b) Common Core of Data.......	---	475,000	---	+1,190,000
(c) National Assessment of Educational Progress....	---	4,500,000	---	+1,500,000
3. Program Direction and Support Services:				
(a) Educational Policy Research Centers........	---	950,000	---	+12,000
(b) Other administrative expenses................	241	---	+41	+1,007,600
Subtotal.....	241	---	+41	+13,119,600
Total, increases..	241	---	+41	+14,186,000
Decreases:				
B. Program:				
1. Supplies and materials.........	---	52,000	---	-12,000
Subtotal.....				
Total, decreases..	---	---	---	-12,000
Total, net change........................	--	---	+41	+14,174,000

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Explanation of Changes

Increases:

A. Built-in:

1. The increase of $161,700 will provide for annualization of the 1975 increased pay raise for the Office of the Assistant Secretary for Education: $26,700 for the Assistant Secretary for Education and $135,000 for the National Center for Education Statistics.

2. An additional $22,800 will provide $5,800 for the Assistant Secretary for Education and $17,000 for the National Center for Education Statistics for mandatory increases in the Federal share of health benefits.

3. The increase of $587,700 will support a greater number of man-years in fiscal year 1976 resulting from filled positions in fiscal year 1976 which were not filled until late in fiscal year 1975.

4. The additional $36,500 will provide for personnel scheduled to receive within-grades during fiscal year 1976: $10,000 for the Assistant Secretary for Education and $26,500 for the National Center for Education Statistics.

5. The increase of $22,200 will provide for the extra paid day in fiscal year 1976: $6,100 for the Assistant Secretary for Education and $16,100 for the National Center for Education Statistics.

6. An increase of $235,500 is required for the Office of the Assistant Secretary for Education in fiscal year 1976 for rent and communications. Of this, $41,000 is associated with mandatory rent increases for ASE. In addition, the National Center for Education Statistics, which in the past has been serviced by the Office of Education, will begin paying its own rent expenses for an increase in their budget of $194,500.

B. Program:

1. The increase of $6,000,000 will provide an additional 70 new projects for the Fund for the Improvement of Postsecondary Education, for a total of 175 projects in fiscal year 1976.

2. (a) An increase of $3,410,000 is requested for the Surveys and Special Studies program. Of this increase, $1,295,000 is associated with the studies Congressionally-mandated by the Education Amendments of 1974. The remaining money is related to increased emphasis on timeliness, quality, and accessibility of data from high priority activities, and for obtaining more policy relevant data.

   (b) The $1,190,000 provides for continued expansion of the Common Core of Data program in which statistics collected through a national field test will be used to evaluate the quality of the Federal core of data for elementary and secondary education. Mechanisms will also be established to test the availability of postsecondary data to assure that established data standards have been met.

   (c) The increase of $1,500,000 is requested to expand the work of measuring the educational attainment of students and reporting changes in attainment over regular intervals.

3. (a) An additional $12,000 is being requested for the Educational Policy Research Centers administered by the Office of the Assistant Secretary for Education to partially cover rising costs. The project has had level funding for several years.

54 (b) An increase of $1,007,600 will be required to provide for additional printing, equipment and program costs for the Office. Of this, an increase of $50,000 is requested for the immediate office of the Assistant Secretary for Education and $982,600 is associated with 41 new positions requested by the National Center for Education Statistics.

Increases:

B. Program:

1. The amount needed for supplies in fiscal year 1976 represents a $12,000 reduction over 1975 because of non-recurring costs.

Obligations by Activity [1/] 55

	1975 Estimate Amount/Pos.	1975 Revised Amount/Pos.	1976 Estimate Amount/Pos.	Increase or Decrease Amount/Pos.
Fund for the Improvement of Postsecondary Education..	$11,500,000 (---)	$11,500,000 (---)	$17,500,000 (---)	$ +6,000,000 (---)
National Center for Education Statistics:				
(a) Surveys and Special Studies.............	5,590,000 (---)	5,590,000 (---)	9,000,000 (---)	+3,410,000 (---)
(b) Common Core of Data....	475,000 (---)	475,000 (---)	1,665,000 (---)	+1,190,000 (---)
(c) National Assessment of Educational Progress.	4,500,000 (---)	4,500,000 (---)	6,000,000 (---)	+1,500,000 (---)
Program Direction and Support Services....................	6,412,000 (241)	6,595,000 (241)	8,669,000 (282)	+2,074,000 (+41)
Total, obligations.......	28,477,000 (241)	28,660,000 (241)	42,834,000 (282)	+14,174,000 (+41)

1/ Excludes $461,000 from restoration of the 1973 appropriation in fiscal year 1975.

Obligations by Object [1]

	1975 Estimate	1975 Revised	1976 Estimate	Increase or Decrease
Total number of permanent positions................	241	241	282	+41
Full-time equivalent of all other positions..........	10	10	10	-0-
Average number of all employees................	233	233	273	+40
Personnel compensation:				
Permanent positions......	$ 4,165,300	$ 4,338,300	$ 4,929,000	$ +590,700
Positions other than permanent..............	218,200	227,200	315,000	+87,800
Other personnel compensation.................	25,000	26,000	49,000	+23,000
Subtotal, personnel compensation.......	4,408,500	4,591,500	5,293,000	+701,500
Personnel benefits.........	393,600	393,600	523,000	+129,400
Travel and transportation of persons...............	187,800	187,800	325,000	+137,200
Transportation of things...	3,000	3,000	3,000	-0-
Rent, communications and utilities................	144,500	144,500	380,000	+235,500
Printing and reproduction..	17,000	17,000	407,000	+390,000
Other services.............	184,600	184,600	633,500	+448,900
Project contracts........	11,540,000	11,540,000	17,669,500	+6,129,500
Supplies and materials.....	52,000	52,000	40,000	-12,000
Equipment..................	46,000	46,000	60,000	+14,000
Grants, subsidies and contributions...........	11,500,000	11,500,000	17,500,000	+6,000,000
Total obligations by object...............	28,477,000	28,660,000	42,834,000	+14,174,000

[1] Excludes $461,000 from restoration of the 1973 appropriation in fiscal year 1975.

Authorizing Legislation

Legislation	1976	
	Authorized	Appropriation requested
General Education Provisions Act:		
Section 402 -- Assistant Secretary for Education..........................	Indefinite 1/	$ 8,669,000
Section 404 -- Support for improvement of postsecondary education.............	2/	17,500,000
Section 406 -- National Center for Education Statistics...................	$25,000,000	16,665,000

1/ Includes an authorization of $10,000,000 for the National Center for Education Statistics in fiscal year 1976 for Salaries and Expenses.
2/ Authorization expires June 30, 1975; new authorizing legislation is proposed.

Salaries and Expenses, Assistant Secretary for Education

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1973	$32,773,000	$ 1/	$31,773,000	$31,026,000
1974	33,541,000	25,761,000	19,761,000	24,261,000
1975	33,906,000	28,847,000	28,477,000	28,477,000
Proposed Supplemental Transfer	183,000 2/			
1976	42,836,000			

1/ Not considered by the House.

2/ Represents a proposed transfer from the Office of Education for civilian pay raise.

Justification

Salaries and Expenses

	1975 Estimate 1/ Amount/Pos.	1975 Revised 1/ Amount/Pos.	1976 Amount/Pos.	Increase or Decrease Amount/Pos.
Personnel compensation and health benefits..........	$ 4,802,100 (241)	$ 4,985,100 (241)	$ 5,816,000 (282)	$ +830,900 (+41)
Other expenses..............	23,674,900 (---)	23,674,900 (---)	37,018,000 (---)	+13,343,100 (---)
Total..................	28,477,000 (241)	28,660,000 (241)	42,834,000 (282)	+14,174,000 (+41)

General Statement

The Office of the Assistant Secretary for Education is responsible for direction and supervision of the Education Division, including policy coordination and management and administration of several programs. As part of the function of the Office, the Assistant Secretary for Education provides leadership for the education activities of the Department; serves as the key spokesman and advocate for education in assuring that the Department provides professional and financial assistance to strengthen education in accordance with Federal laws and regulations; and serves as Chairman of the Federal Interagency Committee on Education, set up by Executive Order 11761 to coordinate educational programs and policies throughout the Federal level. In addition, the Assistant Secretary serves as the principal advisor to the Secretary of Health, Education, and Welfare on education affairs.

This appropriation provides for administrative expenses associated with the development and communication of education policy and for carrying out the two program areas located within the Office. These two areas are the Fund for the Improvement of Postsecondary Education and the National Center for Education Statistics which was transferred to the Office of the Assistant Secretary for Education in 1975 from the Office of Education as authorized by the Education Amendments of 1974. In addition, this account provides continued contractual support of policy analysis activities relevant to the Office's responsibility for policy development.

1/ Excludes $461,000 from restoration of the 1973 appropriation in fiscal year 1975.

Fund for the Improvement of Postsecondary Education

	1975 Estimate		1975 Revised		1976		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
(a) New awards..	---	$ 4,500,000	---	$ 4,500,000	---	$ 9,000,000	---	$+4,500,000
Number....		45		45		90		
(b) Non-competing continuing awards.....	---	7,000,000	---	7,000,000	---	8,500,000	---	+1,500,000
Number....		80		80		85		
(c) Competing continuing awards.....	---	-0-	---	-0-	---	-0-	---	-0-
Number....		-0-		-0-		-0-		-0-
Total......	---	11,500,000	---	11,500,000	---	17,500,000	---	+6,000,000

NARRATIVE

Program Purpose

The Fund, which was established by the Education Amendments of 1972, was created to improve the effectiveness of postsecondary education by encouraging the reform and improvement of existing policies and practices in the field.

Funding Mechanism

Grants and contracts are awarded to postsecondary education institutions and agencies to support projects demonstrating new and exemplary approaches to postsecondary education, or adding to the understanding of successful approaches. Proposals may be submitted under three types of programs:

-- the comprehensive program which provides incentives for field-generated ideas for change within broad areas,

-- the special focus programs which are designed to target funds in more specifically defined areas, and

-- the national projects which are designed to further the assessment and communication of effective practice in designated areas of activity.

Plans for Fiscal Year 1976

The 1976 budget requests $17,500,000 for the Fund's program activities, an increase of $6,000,000 over the 1975 level. Of the amount requested, $8,500,000 is for the continuation of existing projects, and $9,000,000 is for new starts.

Funds for new starts will be allocated for the following purposes:

-- New starts in the Comprehensive Program -- Up to $4,000,000 will be used for support of projects which in large part, will focus upon the interrelationships between postsecondary education programs and services and work-related concerns.

-- Competency-based Education and Ceritfication -- Up to $1,500,000 will be used for support of new projects in this area, also a priority in fiscal year 1975. In addition to funding projects which seek to improve and sharpen educational goals and assessment procedures within institutions, support will be given to projects designed to improve occupational licensing and examining practices.

-- Improving Techniques and Process for Assessing the Quality of Educational Programs -- Up to $2,000,000 will be used for projects demonstrating improved approaches to the determination of the quality and effectiveness of educational programs. Potential students, policy-makers, and those providing funds for postsecondary education want to know to what extent a specific program or institution is accomplishing its objectives and performing effectively. Improved approaches to accreditation practices will be included as a concern in this competition.

-- Improving Conditions for Student Choice -- Up to $1,500,000 will be used for counseling and information dissemination projects designed to enhance the ability of students to make more effective decisions about their future educational and career plans. The kinds of decisions involved could include whether or not to seek a postsecondary education, and, if so, from what type of program and/or institution. These program activities will build upon and expand the initiatives begun in 1975 through the National Projects competition.

A significant number of the projects to be supported in 1976 within these program areas will be directed toward the revitalization of postsecondary education's historic role in providing competent, trained manpower to the economic sector of society--a function whose current effectiveness has been brought into question by a number of changes in both the labor market and in the clientele served by postsecondary education. These program areas will enable the Fund to support strategies for improvement of this role at several critical junctures, including:

-- improved individual choice of education and career through more effective counseling and information services;

-- improved match of job requirements and educational programs through competency-based approaches and field and work-based programs;

-- broadened options for learning, through the development of new linkages between liberal arts and vocationally-oriented programs;

-- encouragement of learning as a lifelong activity, through programs and services more responsive to the need of working people, older adults and to professionals as they acquire complex management responsibilities;

-- more effective utilization of existing learning resources through the improved assessment of prior learning, wherever it occurs; and

-- development of educational programs which move away from single-purpose occupational training toward more flexible career opportunities.

In 1976, new grants awarded within these program areas and directed toward this priority issue will total approximately $6,000,000.

Accomplishments and Objectives 1974/1975

In 1974, its second year of operation, the Fund sponsored three program competitions: the Comprehensive program, also sponsored in 1973, and two new special focus competitions which targeted funds in specified priority areas. More than 2,800 proposals were submitted to these three competitions, and 102 new and

26 continuing projects were selected to receive awards. In the selection of these proposals, the Fund staff was aided by the comments of its Board of Advisors and the State-level postsecondary education commissions.

Encouraging results are now being reported from these initial projects sponsored in fiscal years 1973 and 1974. For example:

-- Several small, private colleges facing fiscal and enrollment shortfalls were supported in their attempts to develop more viable missions and to serve new types of student clients; these have reported significant increases in enrollment and corresponding increases in tuition income during the period of support from the Fund.

-- A populous county in New Jersey, previously required to purchase community college services from other regions of the State, has successfully petitioned for State and local authorities to create an alternative institution which utilizes the programs of existing private colleges within the county to provide for its residents' educational needs. The Fund provided start-up and planning support for this effort; the costs for this enterprise are now shared by the State and county.

-- 70 percent of the institutions in a State higher education system have now initiated steps to revise their procedures and criteria for making faculty promotion and tenure decisions in order to place more emphasis on teaching effectiveness. The Fund supported the development and adaptation of these new approaches.

-- A two-year, public urban college in California has developed a successful counseling and placement service for adult, low-income women from its community. After two years of support from the Fund, the attrition rate for this group of students is significantly lower than that for the college as a whole. Two related service programs have now been initiated by the college as the result of this initial success, and the project's evaluation design has been accepted by the President as a model for the entire institution.

During fiscal year 1975, the Fund will use approximately $4,500,000 of its total program budget of $11,500,000 to initiate new projects. The balance will be required for the continuation of on-going projects. Approximately $3,300,000 of the new start funds will be used to support new projects in the Comprehensive Program and the competency-based learning Special Focus Program, both of which were sponsored in 1974.

In addition, the Fund will use $1,200,000 to initiate three "national projects", a new program strategy designed to identify, assess, and communicate to the field on-going, effective programs within colleges in identified priority areas. This strategy will enable the Fund, at a relatively low-cost, to obtain maximum benefit from existing improvements in the field, regardless of their source of financial support. In 1975, the three national projects include:

-- Alternatives to the Revolving Door: Effective learning for low-achieving students, in which institutions sponsoring approaches with demonstrated success in meeting the needs of under-prepared students will be invited to participate.

-- Elevating the Importance of Teaching, in which institutions demonstrating success in strengthening the teaching function of their faculties will be invited to participate.

-- Better Information for Student Choice, in which institutions and agencies demonstrating a commitment to providing potential learners with improved information regarding their educational options will be invited to participate.

	1975 Estimate		1975 Revised		1976		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Activities:								
(a) Surveys and Special Studies....	---	$ 5,590,000	---	$ 5,590,000	---	$ 9,000,000	---	$+3,410,000
(b) Common Core of Data....	---	475,000	---	475,000	---	1,665,000	---	+1,190,000
(c) National Assessment of Educational Progress...	---	4,500,000	---	4,500,000	---	6,000,000	---	+1,500,000
Total.... ...	---	10,565,000	---	10,565,000	---	16,665,000	---	+6,100,000

NARRATIVE

The Education Amendments of 1974 establishes the National Center for Education Statistics (NCES) within the Office of the Assistant Secretary for Education. The Act states that the Center shall:

"(1) collect, collate, and, from time to time, report complete statistics on the conditions of education in the United States;

(2) conduct and publish reports on specialized analyses of the meaning and significance of such statistics;

(3) assist State and local educational agencies in improving and automating their statistical and data collection activities; and

(4) review and report on educational activities in foreign countries."

In addition, a number of continuing activities and one-time studies and surveys are specifically mandated in order to provide information to support policy determination. As legislated, this represents an expanded program for NCES and forms the basis for a requested increase from $10,565,000 in program dollars for fiscal year 1975 to $16,665,000 for fiscal year 1976.

Funding Mechanism

Program funds are primarily spent on contracts, with NCES staff monitoring and reviewing for quality of performance and adherence to budget and schedule. Cost sharing contracts with State agencies are used modestly.

A. Surveys and Special Studies

	1975 Base	1976 Estimate	Increase or Decrease
(a) New awards	$3,145,000	$4,070,000	$ +925,000
Number	16	18	
(b) Non-competing continuing awards	1,195,000	1,570,000	+375,000
Number	10	18	
(c) Competing continuing awards	1,250,000	3,360,000	+2,110,000
Number	10	22	
Total	5,590,000	9,000,000	+3,410,000

Program Purpose

The Statistical Surveys and Special Studies (SSS) program provides data for planning, policy and administrative use by Federal, State, local and institutional decision makers. This includes data bases to support the allocation of Federal funds, to assist in evaluating the impact of certain Federally-funded programs, and to provide documentation for program reports required by Congress and the Executive Branch.

Plans for Fiscal Year 1976

The surveys and statistical studies planned for fiscal year 1976--requiring an additional $3,410,000 over fiscal year 1975--expand the scope of NCES as legislated by the Education Amendments of 1974. Priority is placed on: (1) statistics on key educational issues for policy use; (2) improved data dissemination; (3) analysis in support of policy makers; (4) technical assistance to State and local educational agencies; and (5) an initiative in international statistics.

I. Statistics on Key Educational Issues:

A. The Changing Nature of Postsecondary Education

-- work on the second and third follow-ups of the high school class of 1972 in the Longitudinal Survey of Educational Effects, supplemented by the development of a study of a new class, including information on a sample of high school dropouts

-- a design study of the 17-25 year old population on participation in Federal student aid programs

-- a data base for professional manpower projects and higher education facility and staff planning

-- studies on career education, including first-time sample survey of the staff and students in postsecondary career schools, including proprietary and correspondence schools.

B. Participation in Federal Programs of Assistance to State and Local Education Agencies

-- a statistical survey of local education programs, with special attention to disadvantaged, handicapped, bilingual, and migrant students in these programs

-- a pretest of a statistical survey of high school students which compares the characteristics of participants in Federal programs with those of nonparticipants

-- a full scale survey of elementary school participation in Federally-aided programs.

C. Equitable Financing of Elementary and Secondary Education Relative to the Needs of Target Populations

-- Congressionally-mandated national survey of children and adults with limited English speaking capability to develop estimates of the need for bilingual education

-- tabulations of Census data by school district revised to reflect changes in school boundaries from 1970 to 1974-75.

D. Non-traditional Education

-- surveys of adult education in public schools, higher education and correspondence schools

-- exploration of needs for special education at the pre-school level being met by Federal, State, and local programs.

E. Teacher Supply and Demand

-- the number and characteristics of enrollees in teacher training programs by fields

-- the reserve supply of teachers

-- the salaries, assignment, training, and turnover of teachers in such fields as bilingual education, remedial reading instruction, vocational education, and special education

-- and the characteristics of doctoral candidates in education.

2. Improved Data Dissemination:

Current modes of dissemination of education statistics will be improved and new approaches adopted to make information more immediately available for use by policy makers at all levels. Major planned activities include the inauguration of a limited program of fast response surveys to provide data on newly emerging issues for Federal policy makers, the preparation of a user's guide to NCES statistics, increased use of advance reports and computer tapes as early products of surveys, the release of partially edited survey data to users, and the delivery of the first full-year Statistical Report on the Condition of American Education to Congress. In support of the Congressionally-mandated Consortium concept, the incorporation of 50-100 computer tape files from Federal agencies into EDSTAT online access system and tape library will permit quick analyses cutting across files.

3. Analysis in Support of Policy Makers:

In fiscal year 1976, these studies will concentrate on the following key educational issues:

-- unit costs for undergraduate instruction by field of study

-- output indicators in postsecondary education

-- special purpose analyses of data from the Longitudinal Study of Educational Effects

-- special analyses on children targeted by Federal education programs

-- characteristics of children of low achievement on the Anchor Test of Reading

-- a cost of education index for elementary and secondary education reflecting geographic and special education differentials

-- fiscal expenditure patterns of local education agencies in terms of pupil characteristics and needs, competing local expenditure, revenue sources and impact on taxpayers

-- the status of educational personnel to serve exceptional children and adults in the United States.

4. Technical Assistance to State and Local Education Agencies:

The Handbooks program of NCES provides common standards of educational statistics to be used by State and local educational agencies in record-keeping and reporting. Comparability of recorded and reported data is critically important to measuring the effectiveness of educational programs. In fiscal year 1976, efforts will be directed to develop manuals in the areas of Community Information in Education, Terminology in Adult/Continuing Education and Property Accounting. In order to increase the usefulness of these manuals, work will be performed on a Dictionary-Glossary of all terms in the Handbook series, on implementation guides for the use of Handbooks, and on field services including training workshops in installing education records and reports systems. Standards will be developed on confidentiality of personal data as mandated in P.L. 93-380, the Education Amendments of 1974.

5. International Education:

Strategies employed in fiscal year 1976 to meet this objective include the hiring of appropriate staff, the development of a plan of studies, and the establishment of a task force within the Education Division to help develop and review the plans and to share information on activities underway in related organizations.

The first study will compare national training systems for educational personnel, focusing on supply and demand problems for teachers at the primary and secondary levels in Great Britain, Germany, Sweden and the United States. The study is designed to yield information leading to the identification and analysis of alternative courses of action to improve the capacity of the American educational system to respond to the changing demand for educational personnel.

Accomplishments for Fiscal Year 1974/1975

The Surveys and Special Studies program continued to produce current data and projections for more than 50 key educational time series, summarized in the annual "Digest" and "Projections." These data were used by NCES in preparing estimates used in the allocations of Federal funds, in producing the Congressionally-mandated report on "The Condition and Progress of American Education," in producing 46 publications in fiscal year 1974 and an estimated 55 in fiscal year 1975, in making available 20 new computer tapes in fiscal year 1974 and an estimated 30 in 1975, in answering 10,000 requests for data in fiscal year 1974 and 11,000 in 1975, in filling 400 orders for computer tapes in fiscal year 1974 and an estimated 500 in 1975, and in placing 20 files on the EDSTAT timesharing remote access system in fiscal year 1974 and 50 in 1975. Initiated several newly mandated one-time studies and surveys.

B. Common Core of Data

	1975 Base	1976 Estimate	Increase or Decrease
(a) New awards......................	$400,000	$1,665,000	$+1,265,000
Number........................	2	3	
(b) Non-competing continuing awards.	---	---	---
(c) Competing continuing awards.....	75,000	---	-75,000
Number........................	1	0	
Total........................	475,000	1,665,000	+1,190,000

Program Purpose

The Common Core of Data Program (CCD) is designed to replace the current uneven and largely inadequate provision for educational statistics with an integrated and interlocking system to meet Federal, State, local and institutional needs for planning and management. The program has been developed to overcome the shortcomings of earlier national level educational data collection and information services; specifically, CCD will fill the current gaps in educational data, provide information on a more timely basis, and increase the usefulness of data to meet the needs of educational policy makers.

Plans for Fiscal Year 1976

In fiscal year 1976, an additional $1,190,000 over fiscal year 1975 is being requested to support activities under the first phase of the Common Core of Data program which will result in the delivery of near-term products responsive to statistical data needs at the Federal level, and will simultaneously provide building blocks for the long-term program. In fiscal year 1976, the major components are the Federal Core of Data for Elementary/Secondary Education and the Federal Core of Data for Postsecondary Education.

> Federal Core of Data for Elementary/Secondary Education. Using instruments developed in fiscal year 1975, the Center will conduct the first national field test of the Federal Core for Elementary/Secondary Education, obtaining comprehensive statistics for use by all components of the Education Division. Technical assistance will also be provided to State and local educational agencies by such activities as: coordinating data collection efforts through State Data Managers and conferences; conducting training workshops; and producing implementation guides for installing educational record and reporting systems.
>
> Federal Core of Data for Postsecondary Education: Significant projects in this program include a study to design the Federal core of data for the postsecondary sector and to define the component elements.

In addition, in fiscal year 1976, NCES will undertake specific assistance projects at the local and State level such as: provision of consultative services by NCES staff, conduct of workshops and training programs, development of guides for State and local implementation of data standards, and contracting with State and local agencies for the accomplishment of specific systems improvement objectives.

Accomplishments for Fiscal Years 1974/1975

Standard definitions and criteria for cost-assignment in statistical reporting for postsecondary education were developed cooperatively with States and educational institutions and a program of technical assistance was begun. An analysis of issues in postsecondary education identified the data required to address these issues. The feasibility of collecting data proposed for the elementary/secondary core was examined, and a plan was developed to provide technical assistance and incentives to CCD program participants.

C. National Assessment of Educational Progress

	1975 Base	1976 Estimate	Increase or Decrease
(a) New awards......................	$4,500,000	$6,000,000	$+1,500,000
Number........................	1	1	
(b) Non-competing continuing awards.	---	---	---
(c) Competing continuing awards.....	---	---	---
Total.........................	4,500,000	6,000,000	+1,500,000

Program Purpose

The National Assessment of Educational Progress (NAEP) monitors the achievement of young Americans and reports changes in achievement over regular intervals. The data highlight categories of students whose performance in a given subject field meets or falls short of national educational expectation, and reveals strengths or weakness within each subject field to assist curriculum policy.

The Education Division contracts with the Education Commission of the States for the collection, analysis and reporting of achievement of a representative national sample of four age groups: 9-year olds, 13-year olds, 17-year olds, and young adults (26-35). Results are summarized nationally for each age group by sex, race, major geographic region, size and type of community, and level of parental education.

Plans for Fiscal Year 1976

An additional $1,500,000 million is requested in fiscal year 1976 to continue the instrument development and data collection activities with particular emphasis placed on the utilization and application of the National Assessment model and data. Other activities include:

-- second assessment of citizenship

-- a first-time assessment of basic mathematical skills to provide an "Index of Basic Skills"

-- an analysis of the changes in reading skills from 1971 to 1975, and an analysis on the adequacy of preparation of different groups of young persons

-- publications of base line data on career and occupational development

-- publication of comparative data on writing performance over a four year period

-- interpretive studies for the utilization and application of National Assessment findings for curriculum changes and decision making.

Accomplishments for Fiscal Years 1974/1975

The schedule of data collection continued the basic plan of measuring achievement in academic areas and examined the feasibility of measuring achievement in the basic skills needed to function in our society. Assessments included career and occupational education in fiscal year 1974, and art, basic mathematics, and second cycle reading in 1975. The assimilation and organization of data was performed for mathematics, career and occupational development, second cycle science, and second cycle writing. Results were published for the first assessment of mathematics, the second assessment of science, a mini-assessment of reading, and the second assessment of writing mechanics ability. Computer tapes of the first National Assessment of reading and literature were released to the educational community. To enhance the applicability and usefulness of results, special analysis of data related to policy questions raised by the Office of the Assistant Secretary for Education was continued, the effects of measurement errors on the data was studied, and technical assistance was provided for the thirty-four States and two large school districts who are planning and conducting their own assessments.

Program Direction and Support Services

	1975 Estimate		1975 Revised		1976		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Personnel compensation and benefits........	241	$4,802,100	241	$4,985,100	282	$5,816,000	+41	$ +830,900
Other expenses....	---	1,609,900	---	1,609,900	---	2,853,000	---	+1,243,100
Total........	241	6,412,000	241	6,595,000	241	8,669,000	+41	+2,074,000

NARRATIVE

This activity will provide for 282 positions in fiscal year 1976--an increase of 41 over fiscal year 1975-- and related administrative expenses for the three components of the Office of the Assistant Secretary for Education: the Immediate Office of the Assistant Secretary for Education, the Fund for the Improvement of Postsecondary Education and the National Center for Education Statistics.

A. Immediate Office of the Assistant Secretary for Education

	1975 Estimate		1975 Revised		1976		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Personnel compensation and benefits........	52	$1,005,000	52	$1,046,000	52	$1,174,000	-0-	$+128,000
Other expenses....	---	1,272,000	---	1,272,000	---	1,334,000	---	+62,000
Total........	52	2,277,000	52	2,318,000	52	2,508,000	-0-	+190,000

The Education Amendments of 1972 created an Education Division composed of the Office of Education and the National Institute of Education, and headed by the Assistant Secretary for Education. This Office has responsibility for the direction and supervision of the Education Division and for coordination of education activities wherever they are performed in the Department.

In order to carry out these activities, the immediate Office of the Assistant Secretary for Education has a staff of 52. This includes two offices which are integral to the formulation and coordination of policy within the Education Division and to the general public.

The Office of Policy Development coordinates development of general policies in the Education Division including formulation of program and legislative initiatives and recommendation of program and policy issues for analysis and study. The staff also administers the Education Policy Research Centers addressed below.

The other half of the effort is the Office of Policy Communication which represents the Assistant Secretary and interprets Federal education policies to the education community and the general public. The staff is also responsible for assuring that public views are reflected in the policy making process of the division.

	1975 Positions	1976 Positions
Immediate Office of the Assistant Secretary..........	16	16
Office of Administration............................	9	9
Deputy Assistant Secretary for Policy Development....	14	14
Deputy Assistant Secretary for Policy Communication..	13	13
Total..	52	52

Staffing

As part of the Manpower Management Program in the Office of the Assistant Secretary for Education, a work measurement study was begun during the second quarter of fiscal year 1975 in the staff offices of the Assistant Secretary and the Fund for the Improvement of Postsecondary Education. The study consists of the collection of work sample information (i.e., daily logs) from each staff member on randomly selected days. A total of 50 daily logs will be obtained from each person by the conclusion of fiscal year 1975. As of December 31, 1974, 43 staff members had been included in the study and approximately 425 daily logs had been obtained. Preliminary profiles relating man-hours to activities in each office are now being drawn from the data.

Fiscal Year 1976 Request

No new positions for the immediate Office of the Assistant Secretary for Education are requested in fiscal year 1976.

Education Policy Research Centers

The fiscal year 1976 budget requests continued funding of the Policy Centers at $950,000 with a minimal increase of $12,000 to cover rising costs. In 1976 for the first time, proposals recommending education analysis issues will be submitted to the Assistant Secretary for Education. As a result of an evaluation of these proposals, it is possible that other entities may be funded to explore these issues.

In order to provide the Office of the Assistant Secretary with a resource for in-depth and sustained policy analysis, support of two education policy research centers was transferred to the Assistant Secretary from the Office of Education during the second half of fiscal year 1974.

Since the Assistant Secretary for Education has assumed responsibility for the centers, the range of areas for analysis has been more sharply defined and specific tasks with explicit deadlines have been assigned to each center. The center located at the Stanford Research Institute is responsible for analyses in the areas of education of the disadvantaged and postsecondary education, while the center at Syracuse University is responsible for analyses in school finance and in seeking means to improve the relationship between schooling and the labor market.

The centers provide a link for HEW between in-depth policy analysis efforts and the in-house Policy Development staff in the Office of the Assistant Secretary for Education. The continuity provided by the centers offers an opportunity to utilize existing data and research and evaluation findings in the development of education policy.

B. Fund for the Improvement of Postsecondary Education

	1975 Estimate		1975 Revised		1976		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Personnel compensation and benefits...........	18	$353,000	18	$368,000	18	$413,000	-0-	$+45,000
Other expenses.......	---	152,000	---	152,000	---	168,000	---	+16,000
Total...........	18	505,000	18	520,000	18	581,000	-0-	+61,000

The Fund, which was established by the Education Amendments of 1972, has responsibility for improving postsecondary educational opportunities by providing assistance to such educational institutions and agencies. The management functions performed by this office include: the review and selection of proposals for grant awards; the monitoring and provision of technical assistance to funded projects; the provision of information and other outreach services to the field of postsecondary education; and related duties required to administer this discretionary grant program, including liaison and operating costs of a fifteen member, Secretarially-appointed Board of Advisors.

Management Objective

As mentioned previously, a work measurement study is under way in the Fund as part of a Manpower Management Program within the Office of the Assistant Secretary for Education. The study, begun in the second quarter of fiscal year 1975, will continue through the end of the fiscal year, resulting in data profiles which relate man-hours to activities within the office.

Fiscal Year 1976 Request

In fiscal year 1975 with a program budget of $11,500,000, the Fund has 18 positions, including 12 professional and 6 clerical. Although the fiscal year 1976 budget requests an additional $6,000,000 for program funds, no new positions are being requested for the program.

C. National Center for Education Statistics

	1975 Estimate		1975 Revised		1976		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Personnel compensation and benefits.......	171	$3,444,100	171	$3,571,100	212	$4,229,000	+41	$ +657,900
Other expenses...	---	185,900	---	185,900	---	1,351,000	---	+1,165,100
Total.......	171	3,630,000	171	3,757,000	212	5,580,000	+41	+1,823,000

74 The National Center for Education Statistics (NCES), transferred to the Assistant Secretary for Education in 1975 as authorized under the Education Amendments of 1974, collects and disseminates statistics and other data related to education in the United States and other nations.

Management Objectives

The management goals of the National Center for Education Statistics for fiscal year 1976 are: (1) to improve the timeliness, quality, and accessibility of data from high priority projects; and (2) to increase the policy orientation of all NCES activities.

Because of the trade-offs among timeliness, quality and accessibility, they cannot be treated separately. Specific objectives include:

-- streamlining the National Center for Education Statistics computer tape release system, providing extracts of files, standardizing documentation and formats, and expanding the release of partially edited data long before publication date,

-- expanding the terminal accessed educational data base (EDSTAT) which carries statistics over telephone lines into users' offices,

-- developing such management procedures as renewable and system contracts, management by objective, new options for automatic data processing, redeployment of staff to highest priority projects, re-designing labor intensive projects, closer monitoring of projects,

-- utilizing such output formats as data on microfiche, tabulations without narrative, management bulletins, more preliminary reports, and more mini-reports on special topics,

-- studying the extent to which accuracy is dependent on stage of editing,

-- linking data files in an integrated data base being designed with the guidance of a consortium of Federal users of educational statistics,

-- implementing a training program for staff development,

-- improving the procedures for notifying users about the availability of products and services,

-- developing means for securing user feedback and for utilizing the results,

-- establishing a fast response survey mechanism to obtain information needed by Congressional and HEW planners and policymakers within a one to two month time frame,

-- utilizing the policy guidance of the Advisory Council on Education Statistics which was mandated by P.L. 93-380,

-- increasing the coordination of planning programs for policy orientation with Congress, the Executive Branch, the Council of Chief State School Officers, the American Council on Education, etc., to help shape on-going and future statistical programs.

Manpower Requirements

For fiscal year 1976, 41 new positions and related administrative expenses are being requested to administer and provide technical leadership for the NCES programs identified in this Justification. The proposed distribution of positions for fiscal year 1976 is as follows:

	Positions FY 1975	Positions FY 1976	Increase or Decrease
Surveys and Special Studies..............	151	184	+33
Common Core of Data.....................	8	11	+3
National Assessment of Educational Progress.............................	3	3	---
Program Direction........................	9	14	+5
Total..................................	171	212	+41

In order to address newly mandated requirements, 16 additional positions are requested to perform specialized analysis of the meaning and significance of education, to inaugurate an international statistics program, to increase technical assistance to the States, and to respond to P.L. 93-380's specific requirements for a Consortium of Federal Users of Educational Statistics, an annual report on the Condition of Education, an update of allocations of Title 1 of the Elementary and Secondary Education, and a bilingual survey. Demographers, economists, sociologists, and educational finance specialists will be among those hired to conduct analyses.

An estimated 6 postitions will be used to conduct new surveys in areas of great significance, and 11 will be used to shorten the production cycle for recurrent surveys and to provide early release of computer tapes and survey tabulations. Increase in staff to manage projects will not only shorten the time between data collection and dissemination, but also improve their quality and simplify their application. Additional editorial staff will expedite the publications process and will improve the readability of reports.

Three additional positions are requested to augment the Common Core of Data efforts, which will contribute to the Technical Assistance mandate and will increase the consistency of NCES statistics.

Five positions are necessary to provide increased planning, user liaison, contract and other administrative support.

EDUCATION DIVISION

Office of the Assistant Secretary for Education

Salaries and Expenses

Program Purpose and Accomplishments

Activity: Postsecondary Improvement (General Education Provisions Act, Section 404)

1975 Estimate		1975 Revised		1976		
					Budget Estimate	
Pos.	Amount	Pos.	Amount	Authorization	Pos.	Amount
---	$11,500,000	---	$11,500,000	1/	---	$17,500,000

Purpose: To increase the effectiveness of postsecondary education by supporting activities and projects throughout the field of postsecondary education which have the potential for achieving needed reforms and improvements.

Explanation: Funds are awarded, in the form of grants and contracts, to institutions and agencies of postsecondary education, within designated priority areas.

Accomplishments in 1974/1975. In fiscal year 1974, 102 new and 26 continuing awards were made within three program competitions--the Comprehensive program and two special focus programs. In fiscal year 1975, new and continuation grants will be awarded within the comprehensive program, one special focus program, and three national projects.

Objectives for 1976: The Fund will award approximately 85 continuations and 90 new grants for projects in four competitions.

1/ Authorization expires June 30, 1975; new authorizing legislation is proposed.

EDUCATION DIVISION

Office of the Assistant Secretary for Education
Salaries and Expenses

Program Purpose and Accomplishments

Activity: National Center for Education Statistics (General Education Provisions Act, Section 406)

1975 Estimate		1975 Revised		1976	1976	
					Budget Estimate	
Pos.	Amount	Pos.	Amount	Authorization	Pos.	Amount
---	$10,565,000	---	$10,565,000	$25,000,000	---	$16,665,000

Purpose: The National Center for Education Statistics, established in the Office of the Assistant Secretary for Education by the Education Amendments of 1974, is charged with the collection of statistics on the condition of education in the United States and abroad, performance of policy-relevant statistical analysis, and the provision of assistance to States and local education agencies in improving their statistical activities.

Explanation: Surveys and analyses are conducted in the area of elementary/secondary education, higher education, vocational and adult education, libraries and educational technology, and handbook standards. A Common Core of Data is developed for elementary/secondary and postsecondary education to provide technical assistance to States. The National Assessment of Educational Progress monitors the achievements of selected groups of young Americans and reports changes in achievement over regular intervals.

Accomplishments in 1975: In 1975, current data and projections were produced for more than 50 key educational time series, 55 publications were produced, 11,000 requests for data were answered and 500 orders for computer tapes were filled.

Objectives for 1976: Major management objectives for 1976 are to improve the timeliness, quality and accessibility of data from high projects and to increase the policy orientation of all the National Center for Education Statistics activities. Expected outputs include 70 publications, 12,000 requests for data answered and 600 orders filled for computer tapes.

EDUCATION DIVISION

Office of the Assistant Secretary for Education
Salaries and Expenses

Program Purpose and Accomplishments

Activity: Program Direction and Support Services (General Education Provisions Act, Sections 402, 404 and 406)

1975 Estimate		1975 Revised		1976		
					Budget Estimate	
Pos.	Amount	Pos.	Amount	Authorization	Pos.	Amount
241	$6,412,000	241	$6,595,000	Indefinite 1/	282	$8,669,000

Purpose: Provides funds for administrative expenses for carrying out programs within the Office of the Assistant Secretary for Education and for the development and communication of education policy.

Explanation: The Education Amendments of 1972 established an Office of the Assistant Secretary for Education to provide direction and supervision for the Education Division. P.L. 92-318 also included the Fund for Improvement of Postsecondary Education as part of this Office. In 1974, P.L. 93-380 transferred the National Center for Education Statistics to the Office from the Office of Education.

Accomplishments in 1975: In fiscal year 1975, the Office of the Assistant Secretary for Education began a Manpower Management study in the immediate Office of the Assistant Secretary and in the Fund and has already drawn some preliminary profiles relating man-hours to activities in each office. The National Center for Education Statistics recently transferred to the Office is currently undergoing a reorganization along functional lines.

Objectives for 1976: The Manpower Management study begun in fiscal year 1975 will be completed during fiscal year 1976, including a work measurement study of each functional unit of the National Center for Education Statistics under its new organization. Contractual analysis activities related to the policy development function of the Office will be continued under a competitive format focusing on such issues as postsecondary education, education of the disadvantaged and public school finance.

1/ The Salaries and Expenses portion of the National Center for Education Statistics is limited to $10,000,000 for fiscal year 1976.

New Positions Requested

	1976		
	Grade	Number	Annual Salary
Surveys and Special Studies:			
Sociologist	GS-15	1	$ 29,818
Mathematical Statistician	GS-15	1	29,818
Psychometrician	GS-14	1	25,581
Operations Research Analyst	GS-14	1	25,581
Education Program Specialists	GS-14	2	51,162
Demographer	GS-13	1	21,816
Systems Analysts	GS-13	2	43,632
Sociologist	GS-13	1	21,816
Education Program Specialists	GS-13	2	43,632
Psychometrician	GS-12	1	18,463
Systems Analysts	GS-12	2	36,926
Computer Programmer	GS-12	1	18,463
Survey Statistician	GS-12	2	36,926
Computer Programmer	GS-11	1	15,481
Demographer	GS-9	1	12,841
Econometrician	GS-9	1	12,841
Statistical Clerks	GS-9	2	25,682
Sociologist	GS-7	1	10,520
Research Assistants	GS-7	2	21,040
Secretary	GS-5	2	17,000
Clerk-Typists	GS-4	3	22,788
Clerk-Typists	GS-3	2	13,528
Subtotal		33	555,355
Common Core of Data:			
Survey Statistician	GS-15	1	29,818
Survey Statistician	GS-14	1	25,581
Statistician	GS-7	1	10,520
Subtotal		3	65,919
Center-wide Administration:			
Executive Officer	GS-15	1	29,818
Sociologist	GS-14	1	25,581
Assistant Planning Officer	GS-12	1	18,463
Clerk-Typists	GS-4	2	15,192
Subtotal		5	89,054
Total new positions, all activities		41	710,328

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

EDUCATION DIVISION

Office of the Assistant Secretary for Education

Salaries and Expenses

Amounts Available for Obligation

	1976	Interim
Appropriation	$42,834,000	$5,599,000
Total, obligations	42,834,000	5,599,000

Obligations by Activity

Page Ref.		1976 Estimate		Interim Estimate	
		Pos.	Amount	Pos.	Amount
	Fund for the Improvement of Postsecondary Education	---	$17,500,000	---	$ ---
	National Center for Education Statistics:				
	(a) Surveys and Special Studies	---	9,000,000	---	1,209,000
	(b) Common Core of Data	---	1,665,000	---	539,000
	(c) National Assessment of Educational Progress	---	6,000,000	---	1,500,000
	Program Direction and Support Services	282	8,669,000	282	2,351,000
	Total obligations	282	42,834,000	282	5,599,000

Obligations by Object

	1976 Estimate	Interim Estimate
Total number of permanent positions	282	282
Full-time equivalent of all other positions	10	10
Average number of all employees	273	273
Personnel compensation:		
Permanent positions	$ 4,929,000	$1,438,000
Positions other than permanent	315,000	80,000
Other personnel compensation	49,000	11,500
Subtotal, personnel compensation	5,293,000	1,529,500
Personnel benefits	523,000	127,000
Travel and transportation of persons	325,000	75,000
Transportation of things	3,000	---
Rent, communications and utilities	380,000	95,000
Printing and reproduction	407,000	92,000
Other services	633,500	155,000
Project contracts	17,669,000	3,497,000
Supplies and materials	40,000	11,000
Equipment	60,000	17,500
Grants, subsidies and contributions	17,500,000	---
Total obligations by object	42,834,000	5,599,000

Justification

Salaries and Expenses

	1976		Interim	
	Pos.	Amount	Pos.	Amount
Personnel compensation and health benefits......	282	$ 5,816,000	282	$1,656,500
Other expenses..................................	---	37,018,000	---	3,942,500
Total..................................	282	42,834,000	282	5,599,000

General Statement

The Office of the Assistant Secretary for Education is responsible for direction and supervision of the Education Division, including policy coordination and management and administration of several programs. As part of the function of the Office, the Assistant Secretary for Education provides leadership for the education activities of the Department ; serves as the key spokesman and advocate for education in assuring that the Department provides professional and financial assistance to strengthen education in accordance with Federal laws and regulations ; and serves as Chairman of the Federal Interagency Committee on Education, set up by Executive Order 11761 to coordinate educational programs and policies throughout the Federal level. In addition, the Assistant Secretary serves as the principal advisor to the Secretary of Health, Education, and Welfare on education affairs.

This appropriation provides for administrative expenses associated with the development and communication of education policy and for carrying out the two program areas located within the Office. These two areas are the Fund for the Improvement of Postsecondary Education and the National Center for Education Statistics which was transferred to the Office of the Assistant Secretary for Education in 1975 from the Office of Education as authorized by the Education Amendments of 1974. In addition, this account provides continued contractual support of policy analysis activities relevant to the Office's responsibility for policy development.

Fund for the Improvement of Postsecondary Education

	1976		Interim	
	Pos.	Amount	Pos.	Amount
(a) New awards..................	---	$ 9,000,000	---	-0-
(b) Non-competing continuing awards....................	---	8,500,000	---	-0-
(c) Competing continuing awards....................	---	-0-	---	-0-
Total....................	---	17,500,000	---	-0-

NARRATIVE

The Fund, which was established by the Education Amendments of 1972, was created to improve the effectiveness of postsecondary education by encouraging the reform and improvement of existing policies and practices in the field.

Interim Request

No program money is being requested during the Interim period for the Fund as the grants and contracts with the postsecondary institutions are made in the spring of each year. Administrative funds for the Fund are being requested, however, under Program Direction and Support Services in order to continue the work necessary during these three months in preparation for making these awards.

National Center for Education Statistics

	1976		Interim	
	Pos.	Amount	Pos.	Amount
(a) Surveys and Special Studies..................	---	$ 9,000,000	---	$ 1,209,000
(b) Common Core of Data.........	--	1,665,000	---	539,000
(c) National Assessment of Educational Progress......	---	6,000,000	---	1,500,000
Total......................	---	16,665,000	---	3,248,000

NARRATIVE

The National Center for Education Statistics, established in the Office of the Assistant Secretary for Education by the Education Amendments of 1974, is charged with the collection of statistics on the condition of education in the United States and abroad, performance of policy-relevant statistical analysis, and the provision of assistance to States and local education agencies in improving their statistical activities.

Interim Request

During the Interim period, funding is requested to support the following programs:

Surveys and Special Studies. Surveys and analyses will be conducted in the area of elementary and secondary education, higher education, vocational and adult education, libraries and educational technology, and handbooks standards. Particular attention will be paid to participation in Federal programs, bilingual education, teacher supply and demand, and the careers of recent high school graduates. Timeliness and accessibility of data will be stressed, as well as the provision of such services as the development of an integrated data base of educational statistics from all Federal agencies.

Common Core of Data. The Center will continue its efforts toward assisting States in improving and automating their statistical and data collection activities. The Center will also provide support to States for development of information systems capable of meeting the reporting requirements of Section 512 of the General Education Provisions Act as amended by the Education Amendments of 1974. At the elementary and secondary levels, technical assistance activities will include development of data standards implementation guides; documentation, testing and dissemination of automated data transfer networks; training workshops and individual consultations; and installation of an initial set of State data managers. At the post-secondary level, a feasibility study will test technical assistance tools for record-keeping and reporting procedures developed during fiscal year 1976.

National Assessment for Educational Progress. The Center will conduct a third assessment of science, a full-scale feasibility study for the Index of Basic Skills, report on a comparison of reading performance between 1971 and 1975; and analyze data collected in fiscal year 1976 on citizenship, social studies, and basic mathematics skills assessments.

. The Interim request is designed to maintain the on-going programs at the fiscal 1976 level. The National Assessment of Educational Progress request represents one-quarter of the previous year's level. The other two programs' requests are based on previous experience and scheduling activities within the Center.

Program Direction and Support Services

	1976		Interim	
	Pos.	Amount	Pos.	Amount
Personnel compensation and benefits	282	$5,816,000	282	$1,656,500
Other expenses	---	2,853,000	---	694,500
Total	282	8,669,000	282	2,351,000

NARRATIVE

During the Interim Budget period, the Office of the Assistant Secretary for Education will continue to function at the previous fiscal year's administrative level, supporting a total of 282 positions: 52 for the immediate Office of the Assistant Secretary for Education; 18 for the Fund for the Improvement of Post-secondary Education; and 241 positions for the National Center for Education Statistics. No new positions are requested for this period.

Interim Request

Personnel compensation and other administrative expenses were calculated on a basis of one-quarter the previous year's amount. Any deviations from this represents consideration of scheduling which might affect the one-fourth rate.

In addition to personnel costs, on-going contractual activities related to the function of the Assistant Secretary for Education's office, such as the Educational Policy Research Centers, will be supported at the one-quarter rate.

Management objectives set forth in the fiscal year 1976 justification will continue to be expanded upon during the three months.

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